

## First Half 2022

Country Profiles  
CEE • SEE • EX-USSR

### Interviews

- **Elisabeth STADLER**, General Manager (CEO), Chairwoman of the Managing Board, VIG - Vienna Insurance Group
- **David ONOPRISHVILI**, Chairman, Insurance State Supervision Service of Georgia
- **Vyacheslav CHERNYAKHOVSKY**, General Director of the Ukraine's Insurance Business Association
- **Volodimir SHEVCHENKO**, General Director, MTIBU - Motor (Transport) Insurance Bureau of Ukraine



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VIENNA INSURANCE GROUP

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Interview with

# Elisabeth STADLER

General Manager (CEO) ,Chairwoman of the Managing Board, VIG - Vienna Insurance Group



**XPRIMM: Instead of being the year of economic recovery after the Covid crisis, as expected, 2022 had brought a new amount of volatility because of the Ukraine war's impact. High inflation is one of the main reasons of concern. What do you expect to be the impact of this volatile economic situation on insurance in the CEE region?**

Elisabeth Stadler: Economic growth is slowing down for the time being due to the influences that you have mentioned like the war, inflation but also supply chain problems and shortage of

resources. At present, it is very difficult to make estimates about growth opportunities, because there are far too many influencing factors. A very negative factor is the high inflation, which is currently in double digits in most countries and clouds growth prospects because it reduces people's real incomes. This affects purchasing power, and we could also feel this as an insurance company in the form of less demand for insurance products. We will probably still be confronted with elevated inflation in 2023. However, we must generally assume that the catching-up process of CEE with Western Europe will slow down in the near future.

I dare not predict when we will return to the situation we had before the pandemic, when the rule was that economic growth in the CESEE region was on average at least twice as high as in Western Europe. But I am convinced that we will find this situation again, because there is still a lot of growth potential in this region, also for insurance companies. Insurance penetration in CEE is on average less than one tenth of that in Western Europe.

The task of managing the largest insurance group in Central and Eastern Europe is a particularly exciting challenge, especially a listed company, where the capital market and its immediate reactions have to be taken into account in all the considerations, statements and actions.

**XPRIMM: Despite the challenging economic conditions in 2022, VIG ended the first half of the year with remarkable results. Please give us your comments on the main achievements of the Group.**

E.S.: We are very satisfied with our results in a very challenging time. All these influences we have mentioned before also apply to the insurance industry and dampening the economic outlook. Despite this overall situation VIG Group continues to demonstrate

very strong resilience, which is once again manifested in improved key figures. The success of our Group is built on a long-term oriented and broadly diversified business model, which shows its strengths especially in particularly challenging phases. Also, digitalization plays a very important role. We have the great advantage that in many of our markets digital literacy is considerably higher than in Austria for example, and we have launched most innovative projects in CEE.

**XPRIMM: In March 2022, VIG has finally closed the acquisition of the Aegon companies in Hungary, the biggest part of the takeover of the Aegon business in Central and Eastern Europe (Hungary, Poland, Romania and Türkiye). How would you comment the importance of this large acquisition?**

E.S.: The successful acquisition of Aegon's CEE business is an important step in our strategic goal of consolidating our position as the leading insurance group in CEE, while at the same time taking advantage of new opportunities in the pension fund business and asset management. These are both business areas in which we still see great potential and opportunities for the VIG Group and which we would like to expand as part of our 'VIG 25' strategy program.

It is our goal to be among the top 3 in the CEE markets by the end of 2025. Through the acquisition of the Hungarian Aegon companies, we have not only achieved the goal of being among the top 3 in Hungary by the end of 2025, but we are now even the market leader. In addition to Austria, we are now the market leader in our immediate neighbors Slovakia, Czechia and Hungary. Following the acquisition of the entire Central and Eastern European business of the Dutch Aegon Group, VIG gains companies in Hungary, Türkiye, Poland and Romania with an insurance premium volume of EUR 640 million, around 2,600 employees and over 4.5 million new customers.

The success of our Group is built on a long-term oriented and broadly diversified business model, which shows its strengths especially in particularly challenging phases.

**XPRIMM: VIG Group places a special focus on its ESG activities and shows a lot of concern for affordable and sustainable housing, green and social projects etc. Please give us some details on VIG's latest initiatives in this area.**

E.S.: Sustainability and the pursuit and implementation of ESG goals for society, customers and employees form one of the three Group goals under the VIG 25 strategy program.

We implement numerous measures in all ESG areas, and the social aspect is also very important to us. In the environment area, we gradually increase our investments in renewable energies and green bonds. Since 2018, we have increased the share of green bonds more than six-fold and had around EUR 440 million in our portfolio at the end of 2021.

In the previous year, we were the first insurance company in Europe to issue a benchmark sustainability bond in the amount of half a billion euros, 80% of which we use for investments in green assets and 20% in social assets. Regarding social engagement we are engaged in supporting affordable housing. Rising housing costs are a concern for many people. Experts now describe affordable housing as the social issue of the 21st century. Our latest commitment to affordable housing is our investment in the Austrian start-up Gropyus. Based in Vienna, the company designs, builds and manages buildings with a focus on sustainable materials, particularly wood. Automation and digitalization reduce manufacturing costs to achieve the goal of providing sustainable and affordable housing for all. A goal we are happy to share with our participation. Gropyus currently operates in Germany, Austria and Switzerland. As part of the VIG investment, the activities are to be expanded to other countries in the CEE region.

The goal should be to expand the limits of insurability under the conditions of climate change impacts also for the CEE region. This includes insurance coverages that are even more adapted to local weather conditions in a region.

We are also gradually withdrawing from the coal energy sector. We defined tight criteria for direct investments in coal in our climate change strategy in 2019. We are fully on track in terms of phasing out investments from the portfolio prior to the introduction of the climate change strategy that do not meet our exclusion criteria. By the end of 2025, 57% of these investments will have been eliminated, a further 38% by the end of 2030, and by the end of 2035 at the latest, these investments will be completely out of the portfolio. In the investment area, 98.5% of our total investments of the existing exposure already meet the current exclusion criteria. Since May 2019, no new insurance contracts have been concluded for coal-fired power plants or mines either. In relation to the total number of corporate customers, our customers with coal risks now account for less than 0.1%. From this very low level, we have reduced coal risks by 74% since 2019 and this trend will continue.

**XPRIMM: Apart from the economic crisis it generated, the war in Ukraine has also caused a huge humanitarian crisis. How did VIG cope with the situation in Ukraine, both in business terms and humanitarian ones?**

E.S.: We have been represented in Ukraine since 2004 by three companies that generate a premium volume of around EUR 100 million in 2021. We are number 3 on the market. In relation to the total premium volume of 11 billion euros, the share is small, but before the war we have defined Ukraine as a market with disproportionate market growth. Currently, our three Ukrainian

companies have almost fully taken up business operations. Our Ukrainian colleagues are very committed and are now maintaining business operations again. Even employees, some of whom have fled with their family members, are working from abroad with their laptops and want to be there for the company and the customers. We have great respect for the loyalty and commitment of our Ukrainian colleagues.

This allows us to make the best possible use of the potential in the insurance business, but above all to be there for our customers. At the moment, however, our focus is not on the economic aspect but on the human aspect and the situation for our approximately 1,400 employees. Immediately after the war began, we started coordinated aid and support activities within the Group, especially in the countries neighboring Ukraine.

Our companies organized and equipped apartments for employees and their families. We were thus able to provide housing for more than 500 people. We initiated the "VIG Family Fund" with a basic endowment of 5 million Euro. Our companies and employees have paid into this fund and currently we have about 7 million Euro to provide direct support to affected families of our Ukrainian companies for the reconstruction of destroyed apartments and houses, as well as for personal hardship caused by the war.

It is our goal to be among the top 3 in the CEE markets by the end of 2025. In addition to Austria, we are now the market leader in our immediate neighbors Slovakia, Czechia and Hungary.

**XPRIMM: At the 2022 edition of the Rendez-Vous de Septembre, it was often talked about the decreasing appetite of reinsurers for Nat Cat and the expected increase in reinsurance rates for this line of risks. What impact may have such a development on the rather large Nat Cat insurance gap in the CEE region?**

E.S.: The topic of Nat Cat will undoubtedly occupy us intensively in the coming years, especially since the failure of climate protection measures is seen as the greatest risk of the next 10 years according to the current Global Risk Report. Reinsurers are looking very closely at the impact of climate change on their own business models and are warning of the increase in secondary natural hazards, such as drought, forest fires and floods. For the CEE region, drought and floods in particular are seen as major risks. Losses from secondary natural catastrophes have increased significantly more than losses from hurricanes and earthquakes in recent years, taking up around 70 percent of insured natural catastrophe losses worldwide in 2021. The goal should be to expand the limits of insurability under the conditions of climate change impacts also for the CEE region. This includes insurance coverages that are even more adapted to local

weather conditions in a region. We will therefore have to invest a great deal in data mining and expanding IT systems in order to model risks even more accurately, precisely and locally. But the fact is that increasing natural disaster losses are causing insurance premiums to rise.

At the moment, however, our focus is not on the economic impact of the war in Ukraine but on the human aspect and the situation for our approximately 1,400 employees.

**XPRIMM: Next year your last mandate at the helm of the Vienna Insurance Group will end. What lessons have you learned in the years you led the insurance Group with the largest presence in the CEE?**

E.S.: The task of managing the largest insurance group in Central and Eastern Europe is a particularly exciting challenge, especially a listed company, where the capital market and its immediate reactions have to be taken into account in all the considerations, statements and actions. I also see our broad, diverse setup as a big advantage. This diversity of ideas and different cultures is incredibly inspiring and makes my job really varied. I am convinced that diversity contributes to the economic success of a company. Our broad diversification across a large number of markets and brands enables us to remain stable even in crisis situations. The more diversely I am positioned, the easier it is to offset turbulence in individual markets or at individual companies by the overall result. We have now also noticed and benefited from this during the pandemic. Very special for me is also the very high level of solidarity within our group and a strong sense of responsibility towards its stakeholders which is now again topically shown by the war in the Ukraine.

Interview conducted by Daniela GHETU





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## Note from the editor

This Report considers the CEE Region in the OECD sense, referring to the following countries: **Albania (AL), Bosnia and Herzegovina (BiH), Bulgaria (BG), Croatia (HR), Czechia (CZ), Estonia (EE), Hungary (HU), Kosovo (KV), Latvia (LV), Lithuania (LT), North Macedonia (MK), Montenegro (MN), Poland (PL), Romania (RO), Serbia (SB), Slovakia (SK), Slovenia (SI).**

Under the EX-USSR generic name, we have considered the countries to ex-USSR space: **Armenia (AM), Azerbaijan (AZ), Belarus (BY), Georgia (GE), Kazakhstan (KZ), Kyrgyzstan (KG), Republic of Moldova (MD), Russia (RU), Tajikistan (TJ), Turkmenistan (TM), Ukraine (UA) and Uzbekistan (UZ).**

The SEE designates a group of three South European countries: **Cyprus (CY), Greece (GR) and Republic of Türkiye (TR).**

In all cases, we have given preference to data provided by the national supervisory authorities. Where official data were not available, we have used information provided by the national insurers' associations. The sources are indicated next to each table.

An extended statistical database is available online, on [www.xprimm.com](http://www.xprimm.com), for each country and region.

Column coordinator:



Daniela GHETU  
Editorial Director

## CEE INSURANCE MARKET in 1H2022

# Navigating challenging waters

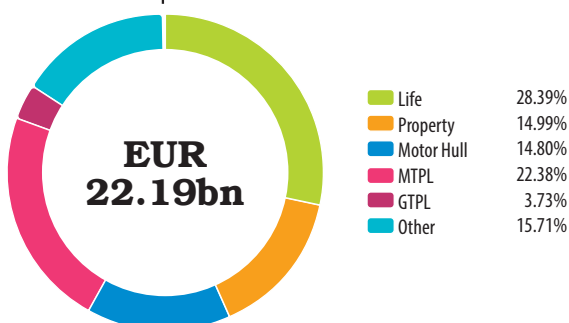
In the first half of 2022, the economy of the European Union continued to be affected by the war in Ukraine, sanctions imposed against Russia and a sharp rise in general inflation. While the COVID-19 epidemic has gradually subsided, disruptions in global supply chains have remained and faster economic growth was hampered by stagnating industrial production. Thus, economic growth prospects worsen from one forecast to another, and rising energy and food prices have led to inflationary pressures, eroding the purchasing power of the population. Pressures on salary growth also intensified, while the euro area recorded an 8.6% inflation rate at the end of June, the highest in the last five decades. In the CEE, inflation rates went much higher, reaching double-digit rates. However financial institutions have started to noticeably raise their inflation forecasts, which is an indication of ongoing or ever hardening challenges for the

insurance markets as well as for the economies in general.

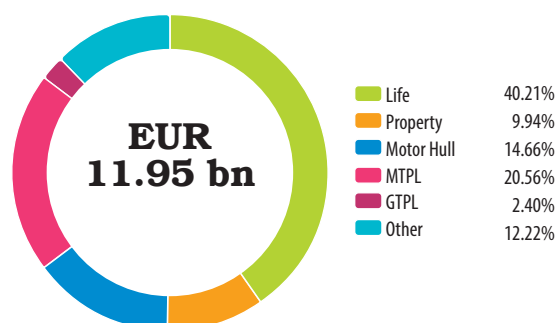
*We expect headline inflation to increase in all CEE countries, the CEE Market Insights report released by Erste Group Research in September reads. Poland already published a flash estimate for September that arrived at 17.2% y/y, well above market expectations [...]. The biggest increase in the inflation rate is expected in Hungary, however, with our forecast sitting above 20% y/y in September (up from 15.6% y/y in August). Such an increase will be driven by the change of the households' utility bill support system that took place already in July, but will be accounted for only in September. In other countries, the rise of inflation should be more moderate, the report says.*

As in the second quarter of 2022, seasonally adjusted GDP increase rates were lower than the growth recorded in the first

### CEE GWP portfolio (%)



### CEE claims portfolio (%)



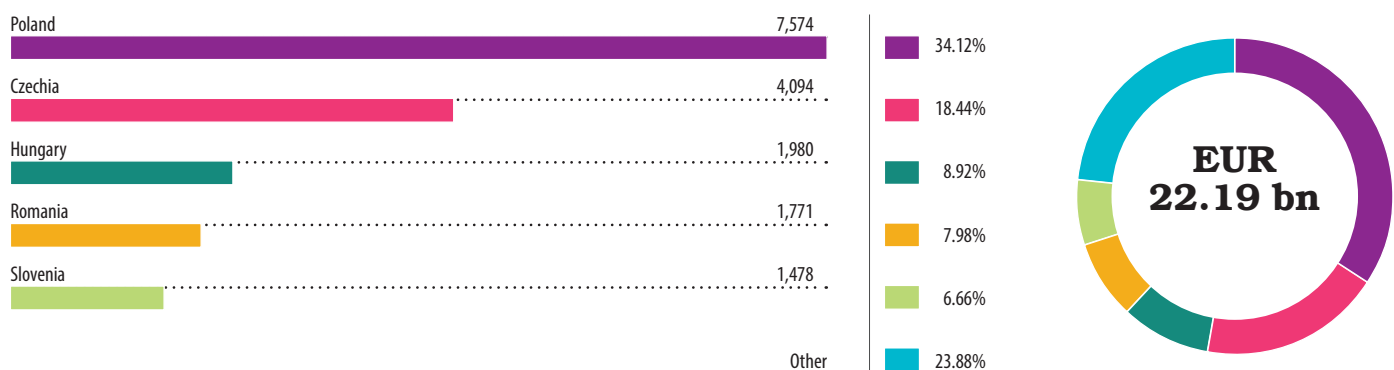


## CEE - OVERALL MARKET DATA

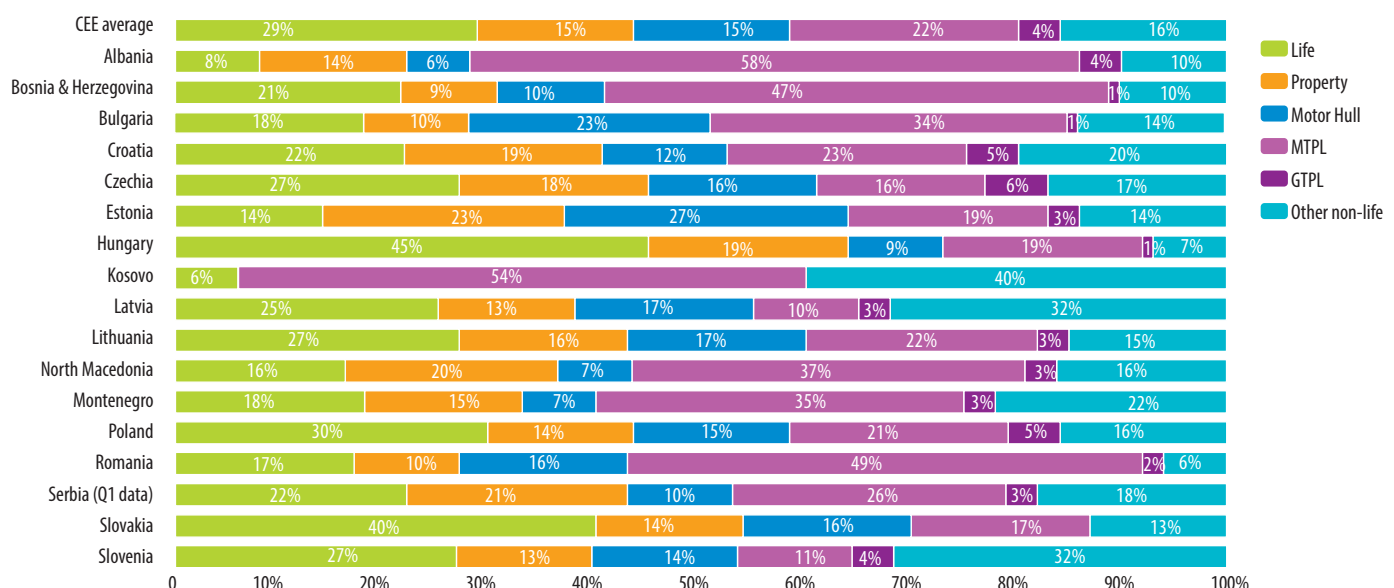
Country	GWP			Claims			Regional market share	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%
Albania	82.05	72.28	13.52	26.64	30.50	-12.68	0.37	0.35
Bosnia & Herzegovina	227.38	207.81	9.42	98.18	82.73	18.68	1.02	1.01
Bulgaria	917.94	835.79	9.83	356.26	325.93	9.30	4.14	4.06
Croatia	915.23	855.31	7.01	491.05	472.47	3.93	4.12	4.16
Czechia	4,094.33	3,494.01	17.18	2,401.32	1,962.23	22.38	18.44	16.98
Estonia	269.34	241.45	11.55	202.77	149.75	35.41	1.21	1.17
Hungary	1,979.66	1,944.09	1.83	1,042.50	971.67	7.29	8.92	9.45
Kosovo	61.48	55.26	11.25	27.76	26.11	6.33	0.28	0.27
Latvia	489.57	406.70	20.38	321.50	249.54	28.84	2.21	1.98
Lithuania	598.21	501.20	19.36	324.73	248.54	30.66	2.69	2.44
North Macedonia	104.72	95.69	9.44	38.37	35.95	6.71	0.47	0.47
Montenegro	54.86	49.01	11.93	20.95	20.76	0.93	0.25	0.24
Poland	7,574.02	7,613.75	-0.52	4,808.63	4,410.84	9.02	34.12	37.00
Romania	1,770.93	1,297.37	36.50	762.17	743.92	2.45	7.98	6.31
Serbia (Q1 data)	267.84	236.57	13.22	120.61	99.04	21.78	1.21	1.15
Slovakia	1,311.89	1,256.71	4.39	na	na	-	5.91	6.11
Slovenia	1,478.46	1,413.19	4.62	906.00	811.35	11.67	6.66	6.87
<b>Total CEE</b>	<b>22,197.92</b>	<b>20,576.19</b>	<b>7.88</b>	<b>11,949.43</b>	<b>10,641.34</b>	<b>12.29</b>	<b>100.00</b>	<b>100.00</b>

Note: Until the edition closing, National Bank of Serbia and National Bank of Slovakia - have not published updated market data for January-June 2022. Thus, in case of Serbia - we used Q1 2022/21 figures, while in case of Slovakia the presented statistics are according to SLASPO.

## TOP 5 CEE countries as GWP (EUR million) &amp; market shares (%)



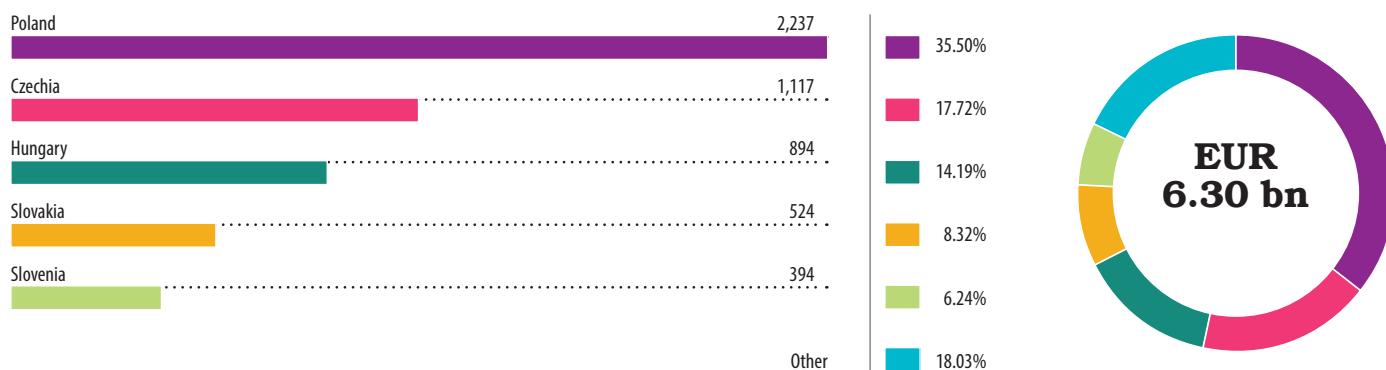
## CEE GWP portfolio per countries



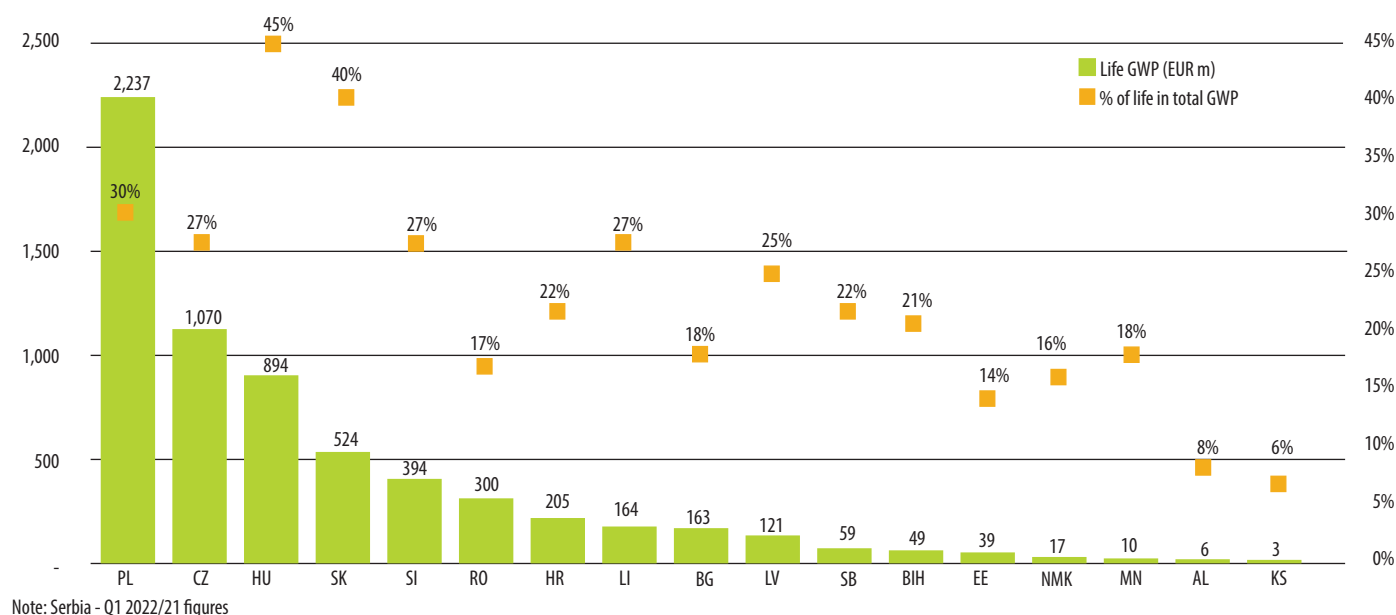
## CEE - LIFE INSURANCE

Country	GWP		Change	Claims		Change	Weight in all GWP		Regional market share	
	1H2022	1H2021		1H2022	1H2021		1H2022	1H2021	1H2022	1H2021
	EUR m.	EUR m.		%	EUR m.		EUR m.	%	%	%
Albania	6.20	5.53	12.20	1.13	1.72	-34.23	7.56	7.65	0.10	0.09
Bosnia & Herzegovina	48.67	42.79	13.74	27.28	21.69	25.75	21.40	20.59	0.77	0.67
Bulgaria	163.27	151.50	7.77	67.03	57.19	17.20	17.79	18.13	2.59	2.38
Croatia	205.06	211.93	-3.24	208.94	202.36	3.25	22.40	24.78	3.25	3.33
Czechia	1,116.59	1,070.14	4.34	975.75	801.21	21.78	27.27	30.63	17.72	16.83
Estonia	38.90	40.74	-4.51	58.56	35.50	64.96	14.44	16.87	0.62	0.64
Hungary	894.46	871.34	2.65	636.11	612.97	3.78	45.18	44.82	14.19	13.71
Kosovo	3.40	2.20	54.55	na	na	-	5.53	3.98	0.05	0.03
Latvia	121.13	110.32	9.80	107.26	73.22	46.48	24.74	27.13	1.92	1.74
Lithuania	163.75	150.87	8.54	87.38	65.11	34.21	27.37	30.10	2.60	2.37
North Macedonia	17.25	14.72	17.20	5.60	4.56	22.74	16.47	15.38	0.27	0.23
Montenegro	10.10	9.19	9.84	4.93	4.78	3.11	18.40	18.75	0.16	0.14
Poland	2,237.36	2,439.33	-8.28	2,134.89	2,063.69	3.45	29.54	32.04	35.50	38.37
Romania	299.99	271.93	10.32	166.56	110.40	50.86	16.94	20.96	4.76	4.28
Serbia (Q1 data)	58.96	54.88	7.44	40.71	36.99	10.07	22.01	23.20	0.94	0.86
Slovakia	524.34	516.72	1.47	na	na	-	39.97	41.12	8.32	8.13
Slovenia	393.60	392.64	0.25	282.89	279.84	1.09	26.62	27.78	6.24	6.18
Total CEE	6,303.02	6,356.76	-0.85	4,805.02	4,371.24	9.92	28.39	30.89	100.00	100.00

### TOP 5 CEE countries as GWP (EUR million) & market shares (%)



### Weight of life GWP in total business



quarter of 2022, the European Commission's summer economic forecast estimates the growth in the euro area at 2.6% in 2022, a slight downward revision from the previous scenario in the spring (+2.7%). The estimate for the EU economy remains unchanged at 2.7% in 2022 compared to the spring forecast.

At this stage, inflation remains the main reason of concern, but not the only one. According to Thierry Leger, Swiss Re Group's Chief Underwriting Officer, *high inflation will mostly impact motor, property and casualty insurance lines because of the claims inflation. Especially in casualty insurance, wage inflation and medical costs inflation should be considered in addition to the CPI.* The geopolitical crisis is another important reason of concern. The war in Ukraine has already amplified the supply chain crisis and triggered an unprecedented energy crisis, as well as a developing food crisis, all of them with a visible impact on the households' financial resources. Finally, climate change remains a stress factor, especially considering the fast growing of the assets exposed to risk. Secondary perils are particularly relevant in this equation, their share in the total NatCat losses amounting to about 50%.

As such, expectations for the near future are marked by caution and concern, but still moderately optimistic in the insurance world. Yet, the winter renewal season in reinsurance may once again turn the wheel, requiring a policy readjusting if reinsurance rates will go up on some risk lines, as expected.

## CEE insurance business in 1H2022

Gross written premiums amounted to EUR 22.2 billion at regional level, up by almost 8% y-o-y. At the same time, claims paid increased by 12.3% y-o-y, to EUR 11.95 billion.

Except for Poland, all CEE markets saw a positive dynamic, in many cases at double-digit rates. Romania is by far the author of the impressive performance in this respect, with a 36% y-o-y GWP growth rate. The Baltics and Czechia have also reported high growth rates. However, the high growth rates are not making such good news as it may seem, as most of the growth is an inflationary one accompanied also by similar steep increases in paid claims. It is not per chance the same countries that have seen

the highest growth rates both in GWP and claims expenses, are also the countries with highest inflation. The rising inflation rate led to the growth of prices of materials and services, and therefore higher payments of gross claims paid and higher gross operating expenses, as a result of which insurers adjusted insurance prices in most non-life insurance classes throughout the first half the year. The trend is mostly visible in motor insurance.

Poland, Czechia, Hungary, Romania, Slovenia are the Top 5 countries in total GWP terms, maintaining the hierarchy at the end of 2021. However, there differences in the regional market share, as Poland lost almost 3 percentage points of its weight, mostly retrieved by Czechia (+1.5 pp) and Romania (+1 pp).

## Life insurance

Life insurance GWP totaled EUR 6.3 billion across the CEE, by almost 1% less y-o-y. The main reason behind the slightly negative trend was the 8.3% decrease in GWP seen in the Polish market. The product "intervention" in the Polish market, which entered into force from the beginning of 2022, highly affected sales of Unit-Linked (UL) products and was the main cause of the overall decrease in GWP for the life insurance line of business. Aiming at preventing the exposure of customers acquiring UL insurance contracts to excessive investment risk, the measure taken by the Polish insurance market authority imposed significant restrictive rules on the UL products distribution, thus slowing down the entire sales process and, at least temporarily, hindering the business growth.

Apart from Poland, only the Croatian and Estonian markets saw a negative trend in life insurance. It should however be noted that growth rates in life insurance were, in general, at a lower pace, double-digit rates being observed only in a few markets with a very low penetration of life insurance.

Indemnities paid for life insurance went up by almost 10%, to EUR 4.8 billion. In some markets, the increase in claims expenses was very high, as an increased volume of maturities, partial and total redemptions added to the regular indemnities paid for life insurance.

## CEE - LIFE UNIT-LINKED INSURANCE

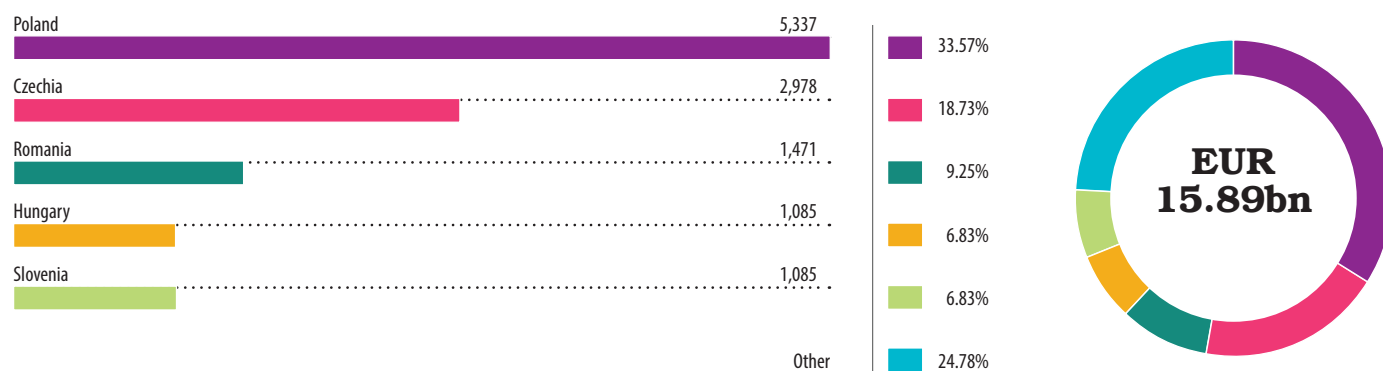
Country	GWP			Claims			Share in life GWP		Regional market share	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021	1H2022	1H2021
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	na	na	-	na	na	-	-	-	-	-
Bosnia & Herzegovina	na	na	-	na	na	-	-	-	-	-
Bulgaria	56.20	57.70	-2.60	9.49	10.17	-6.66	34.42	38.09	3.10	2.88
Croatia	48.31	24.48	97.35	26.32	15.91	65.44	23.56	11.55	2.66	1.22
Czechia	350.80	366.43	-4.26	306.71	291.04	5.38	31.42	34.24	19.32	18.27
Estonia	15.38	16.50	-6.77	31.59	15.07	109.64	39.53	40.49	0.85	0.82
Hungary	366.34	375.80	-2.52	295.19	306.15	-3.58	40.96	43.13	20.18	18.73
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	49.79	49.84	-0.11	52.83	34.41	53.53	41.10	45.18	2.74	2.48
Lithuania	112.60	100.40	12.15	61.79	44.32	39.41	68.76	66.55	6.20	5.01
North Macedonia	na	na	-	na	na	-	-	-	-	-
Montenegro	na	na	-	na	na	-	-	-	-	-
Poland	446.55	659.27	-32.27	1,051.73	873.44	20.41	19.96	27.03	24.59	32.87
Romania	69.36	74.66	-7.10	82.72	47.42	74.46	23.12	27.46	3.82	3.72
Serbia (Q1 data)	na	na	-	na	na	-	-	-	-	-
Slovakia	146.48	137.88	6.24	na	na	-	27.94	26.68	8.07	6.87
Slovenia	153.90	143.02	7.61	103.98	89.09	16.71	39.10	36.43	8.48	7.13
<b>Total CEE</b>	<b>1,815.71</b>	<b>2,005.98</b>	<b>-9.49</b>	<b>2,022.36</b>	<b>1,727.02</b>	<b>17.10</b>	<b>28.81</b>	<b>31.56</b>	<b>100.00</b>	<b>100.00</b>



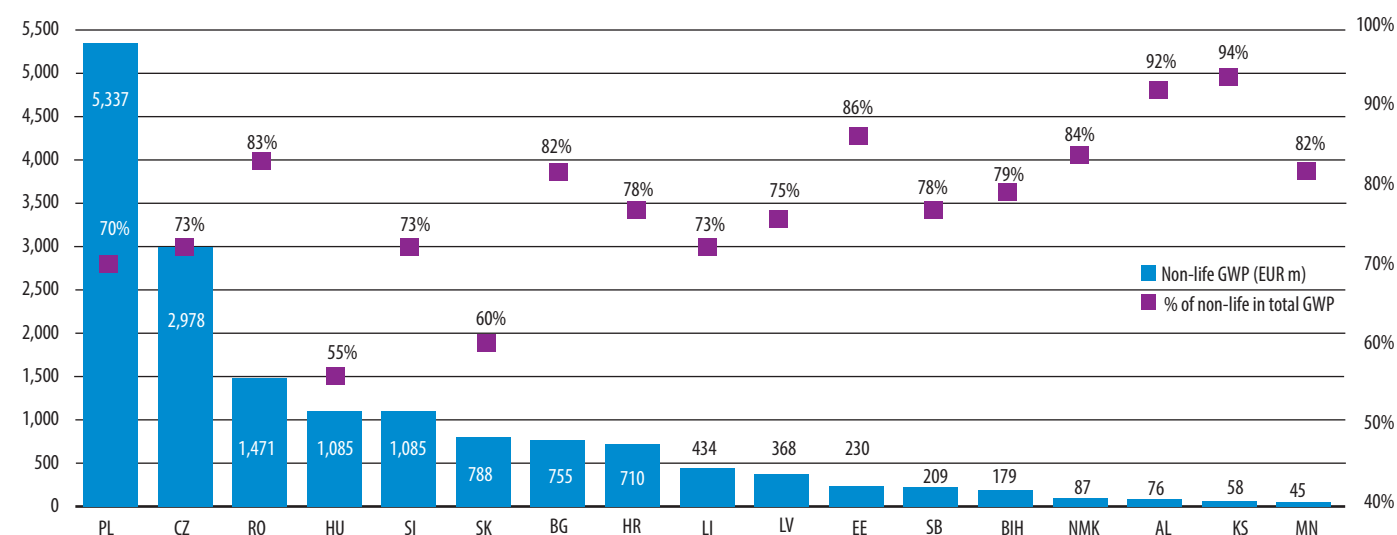
## CEE - NON-LIFE INSURANCE

Country	GWP		Change	Claims		Change	Weight in all GWP		Regional market share	
	1H2022	1H2021		1H2022	1H2021		1H2022	1H2021	1H2022	1H2021
	EUR m.	EUR m.		EUR m.	EUR m.		%	%	%	%
Albania	75.85	66.75	13.63	25.51	28.79	-11.39	92.44	92.35	0.48	0.47
Bosnia & Herzegovina	178.72	165.02	8.30	70.90	61.03	16.17	78.60	79.41	1.12	1.16
Bulgaria	754.67	684.29	10.28	289.22	268.74	7.62	82.21	81.87	4.75	4.81
Croatia	710.17	643.37	10.38	282.11	270.11	4.44	77.60	75.22	4.47	4.52
Czechia	2,977.75	2,423.88	22.85	1,425.57	1,161.02	22.79	72.73	69.37	18.73	17.05
Estonia	230.44	200.71	14.81	144.20	114.24	26.22	85.56	83.13	1.45	1.41
Hungary	1,085.20	1,072.75	1.16	406.39	358.70	13.29	54.82	55.18	6.83	7.54
Kosovo	58.08	53.06	9.46	27.76	26.11	6.33	94.47	96.02	0.37	0.37
Latvia	368.44	296.38	24.31	214.24	176.32	21.51	75.26	72.87	2.32	2.08
Lithuania	434.46	350.34	24.01	237.34	183.43	29.39	72.63	69.90	2.73	2.46
North Macedonia	87.47	80.97	8.03	32.77	31.39	4.38	83.53	84.62	0.55	0.57
Montenegro	44.76	39.82	12.42	16.03	15.98	0.28	81.60	81.25	0.28	0.28
Poland	5,336.66	5,174.42	3.14	2,673.74	2,347.15	13.91	70.46	67.96	33.57	36.39
Romania	1,470.94	1,025.43	43.45	595.61	633.51	-5.98	83.06	79.04	9.25	7.21
Serbia (Q1 data)	208.88	181.69	14.96	79.89	62.05	28.75	77.99	76.80	1.31	1.28
Slovakia	787.56	739.99	6.43	na	na	-	60.03	58.88	4.95	5.20
Slovenia	1,084.86	1,020.55	6.30	623.11	531.51	17.23	73.38	72.22	6.83	7.18
<b>Total CEE</b>	<b>15,894.90</b>	<b>14,219.43</b>	<b>11.78</b>	<b>7,144.41</b>	<b>6,270.10</b>	<b>13.94</b>	<b>71.61</b>	<b>69.11</b>	<b>100.00</b>	<b>100.00</b>

### TOP 5 CEE countries as GWP (EUR million) & market shares (%)



### Weight of non-life GWP in total business



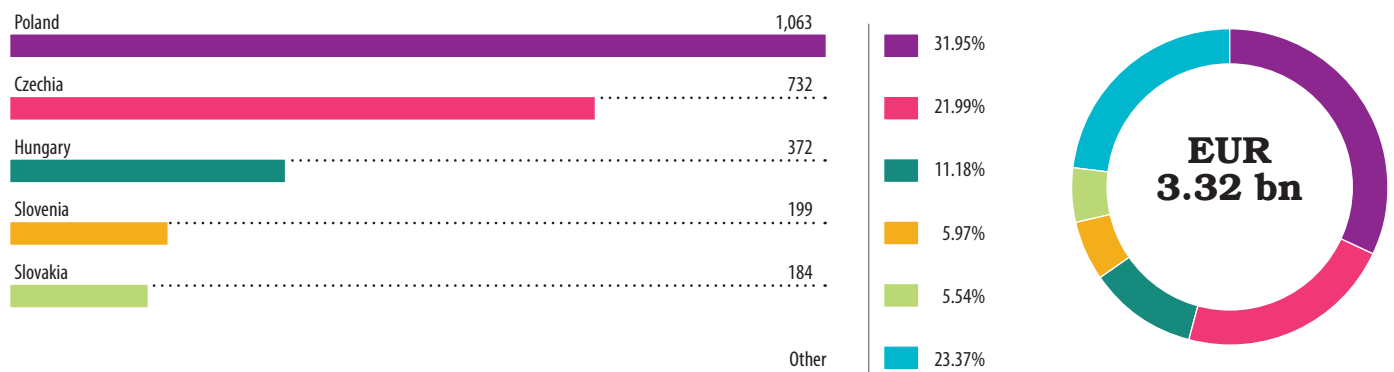
Note: Serbia - Q1 2022/21 figures

## CEE - PROPERTY INSURANCE (Fire, allied perils and other damages to property, summed)

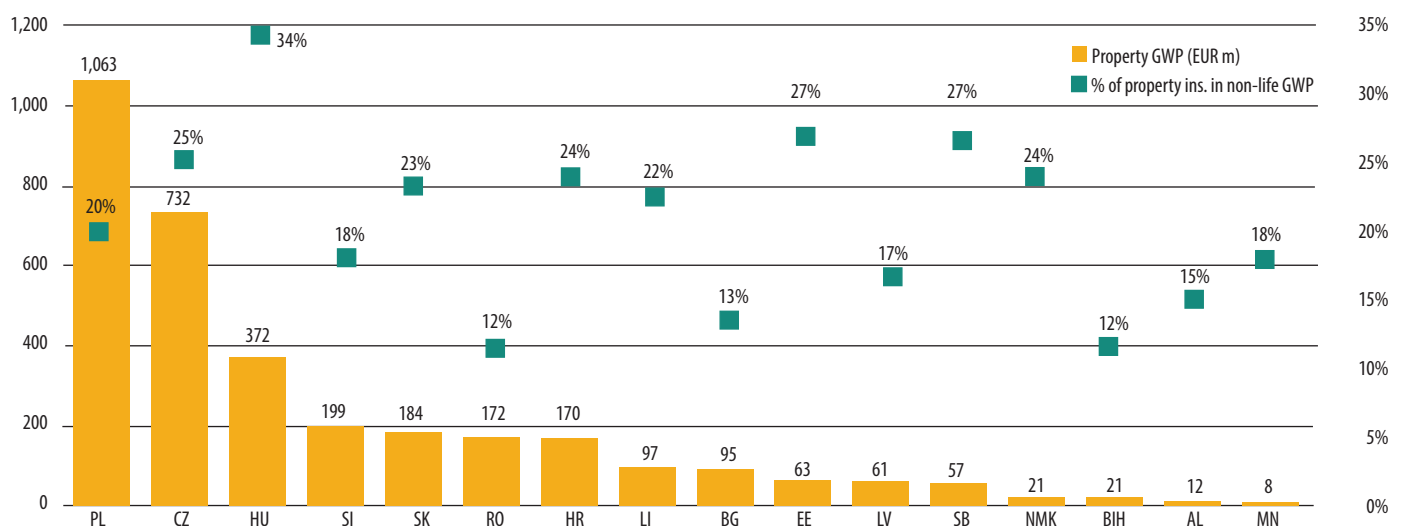
Country	GWP			Claims			Share in non-life GWP		Regional market share	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021	1H2022	1H2021
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	11.51	10.13	13.66	3.32	8.08	-58.88	15.17	15.17	0.35	0.35
Bosnia & Herzegovina	20.95	18.80	11.44	7.06	3.87	82.44	11.72	11.39	0.63	0.64
Bulgaria	95.32	93.40	2.06	13.56	17.99	-24.65	12.63	13.65	2.86	3.19
Croatia	170.24	148.89	14.33	51.27	69.23	-25.95	23.97	23.14	5.12	5.08
Czechia	731.82	566.52	29.18	299.48	335.35	-10.70	24.58	23.37	21.99	19.32
Estonia	63.18	55.40	14.05	30.58	28.84	6.04	27.42	27.60	1.90	1.89
Hungary	372.06	360.10	3.32	125.25	99.81	25.49	34.28	33.57	11.18	12.28
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	61.38	51.49	19.21	36.96	32.55	13.54	16.66	17.37	1.84	1.76
Lithuania	97.22	75.20	29.28	43.97	31.87	37.97	22.38	21.47	2.92	2.57
North Macedonia	21.12	22.64	-6.71	4.71	4.73	-0.58	24.14	27.96	0.63	0.77
Montenegro	8.02	7.06	13.59	1.51	1.19	26.06	17.92	17.74	0.24	0.24
Poland	1,063.45	950.55	11.88	448.30	285.45	57.05	19.93	18.37	31.95	32.42
Romania*	171.91	156.46	9.87	33.22	25.58	29.88	11.69	15.26	5.17	5.34
Serbia (Q1 data)	56.76	49.54	14.59	15.25	8.39	81.75	27.18	27.26	1.71	1.69
Slovakia	184.48	178.45	3.38	na	na	-	23.42	24.11	5.54	6.09
Slovenia	198.60	187.08	6.16	72.99	53.55	36.31	18.31	18.33	5.97	6.38
<b>Total CEE</b>	<b>3,328.03</b>	<b>2,931.71</b>	<b>13.52</b>	<b>1,187.42</b>	<b>1,006.48</b>	<b>17.98</b>	<b>20.94</b>	<b>20.62</b>	<b>100.00</b>	<b>100.00</b>

\*only property fire claims

## TOP 5 CEE countries as GWP (EUR million) &amp; market shares (%)



## Weight of property GWP in non-life business

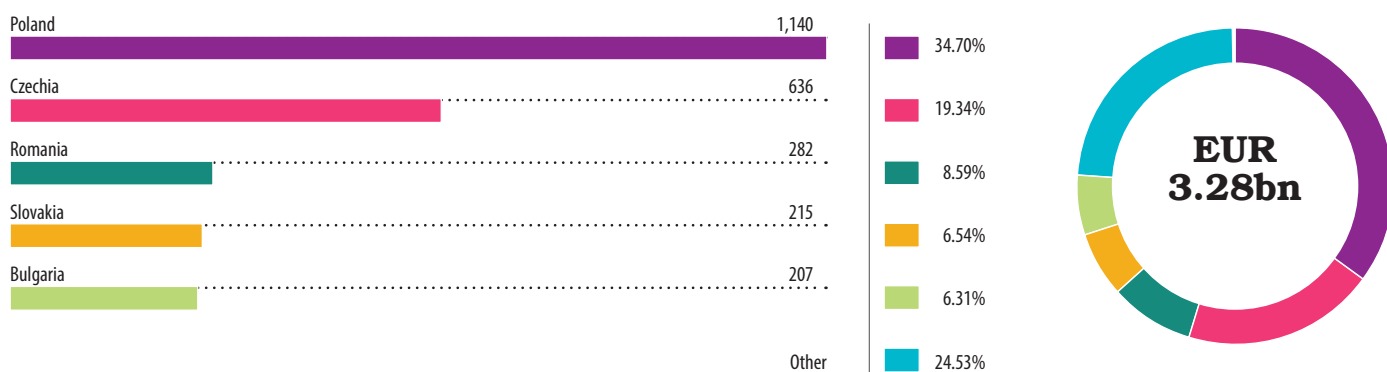


Note: Serbia - Q1 2022/21 figures

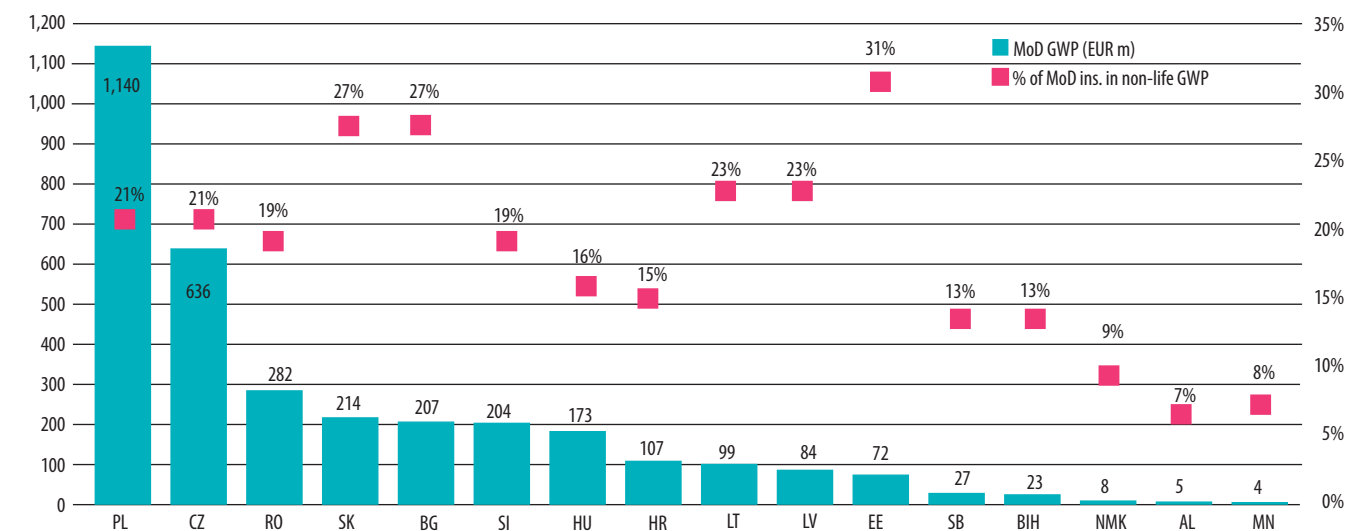
## CEE - MOTOR HULL INSURANCE

Country	GWP			Claims			Share in non-life GWP		Regional market share	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021	1H2022	1H2021
	EUR m.	EUR m.		EUR m.	EUR m.		%	%	%	%
Albania	5.19	4.27	21.59	2.97	3.01	-1.31	6.84	6.40	0.16	0.15
Bosnia & Herzegovina	23.14	20.35	13.72	15.62	14.35	8.85	12.95	12.33	0.70	0.70
Bulgaria	207.19	180.06	15.06	83.42	72.82	14.55	27.45	26.31	6.31	6.20
Croatia	106.68	95.65	11.53	56.06	50.01	12.10	15.02	14.87	3.25	3.29
Czechia	635.56	500.12	27.08	321.12	272.27	17.94	21.34	20.63	19.34	17.22
Estonia	72.25	61.85	16.81	51.44	41.63	23.57	31.35	30.82	2.20	2.13
Hungary	173.06	170.72	1.37	99.85	83.45	19.66	15.95	15.91	5.27	5.88
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	84.36	68.86	22.50	56.03	43.31	29.38	22.90	23.23	2.57	2.37
Lithuania	98.95	82.48	19.96	66.19	49.90	32.64	22.77	23.54	3.01	2.84
North Macedonia	7.74	6.98	10.85	4.02	3.63	10.79	8.85	8.62	0.24	0.24
Montenegro	3.65	3.10	17.70	1.83	1.67	9.64	8.16	7.79	0.11	0.11
Poland	1,140.14	1,046.05	9.00	665.76	622.19	7.00	21.36	20.22	34.70	36.02
Romania	282.23	252.44	11.80	199.98	197.41	1.30	19.19	24.62	8.59	8.69
Serbia (Q1 data)	26.61	22.97	15.82	17.61	13.90	26.73	12.74	12.64	0.81	0.79
Slovakia	214.95	200.23	7.35	na	na	-	27.29	27.06	6.54	6.89
Slovenia	204.29	188.31	8.48	110.46	91.29	20.99	18.83	18.45	6.22	6.48
<b>Total CEE</b>	<b>3,285.98</b>	<b>2,904.46</b>	<b>13.14</b>	<b>1,752.37</b>	<b>1,560.84</b>	<b>12.27</b>	<b>20.67</b>	<b>20.43</b>	<b>100.00</b>	<b>100.00</b>

### TOP 5 CEE countries as GWP (EUR million) & market shares (%)



### Weight of MoD GWP in non-life business



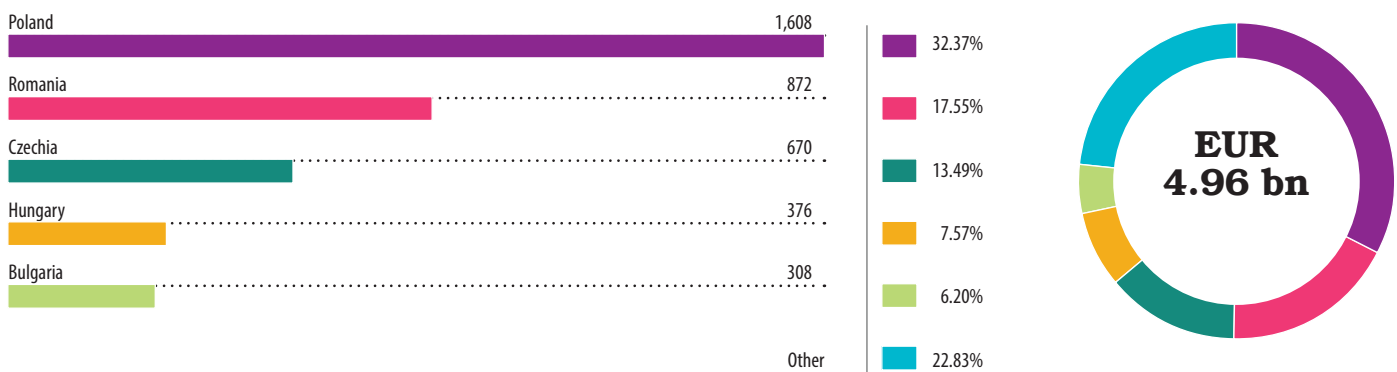
Note: Serbia - Q1 2022/21 figures



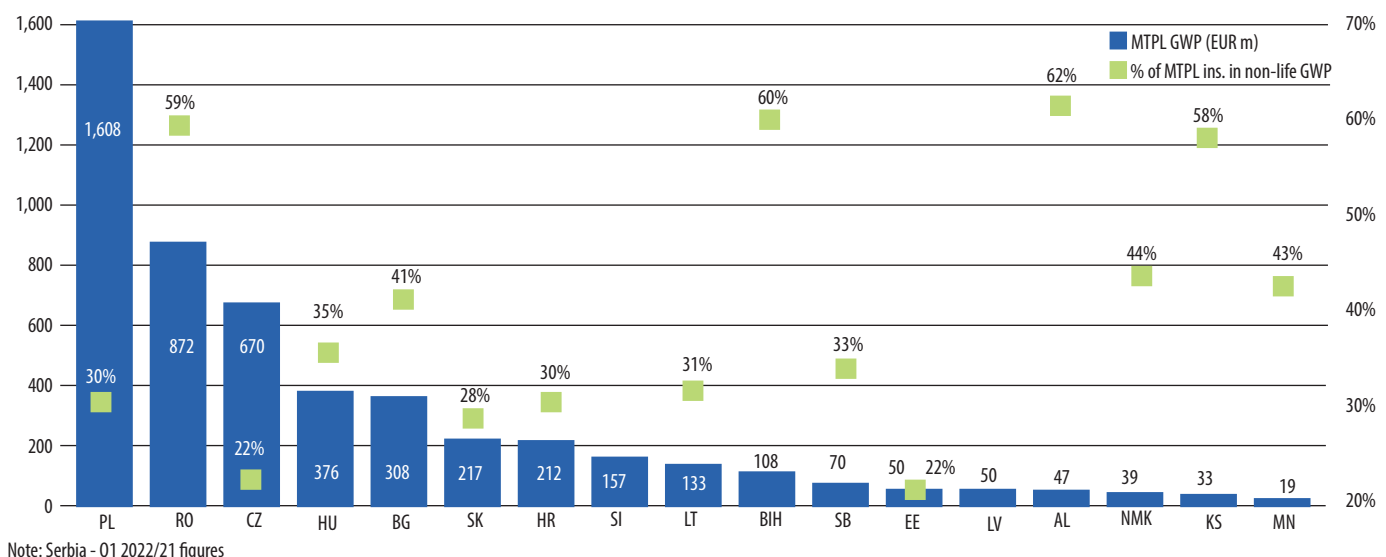
## CEE – MTPL INSURANCE

Country	GWP			Change	Claims			Change	Share in non-life GWP		Regional market share	
	1H2022	1H2021			1H2022	1H2021			1H2022	1H2021	1H2022	1H2021
	EUR m.	EUR m.	%		EUR m.	EUR m.	%		%	%	%	%
Albania	47.36	41.43	14.32	15.12	13.92	8.69	62.44	62.06	0.95	0.93		
Bosnia & Herzegovina	107.65	102.45	5.07	39.21	33.01	18.78	60.24	62.08	2.17	2.30		
Bulgaria	307.78	303.59	1.38	159.82	157.77	1.29	40.78	44.37	6.20	6.81		
Croatia	211.72	199.84	5.95	113.17	93.53	21.00	29.81	31.06	4.26	4.48		
Czechia	669.97	590.75	13.41	334.20	271.05	23.30	22.50	24.37	13.49	13.24		
Estonia	49.96	44.23	12.97	35.67	29.25	21.96	21.68	22.03	1.01	0.99		
Hungary	375.87	391.71	-4.04	139.19	141.50	-1.64	34.64	36.51	7.57	8.78		
Kosovo	33.40	31.85	4.86	16.35	17.37	-5.88	57.52	60.03	0.67	0.71		
Latvia	49.63	39.22	26.52	30.45	26.23	16.09	13.47	13.23	1.00	0.88		
Lithuania	132.87	111.32	19.36	78.64	67.66	16.23	30.58	31.78	2.67	2.50		
North Macedonia	38.86	36.08	7.72	18.15	16.88	7.49	44.43	44.56	0.78	0.81		
Montenegro	19.30	18.54	4.05	7.70	7.09	8.73	43.10	46.57	0.39	0.42		
Poland	1,608.05	1,645.76	-2.29	1,035.06	1,007.66	2.72	30.13	31.81	32.37	36.89		
Romania	871.61	478.44	82.18	315.47	367.20	-14.09	59.26	46.66	17.55	10.72		
Serbia (Q1 data)	69.57	65.53	6.17	30.91	26.20	17.95	33.31	36.06	1.40	1.47		
Slovakia	216.68	211.73	2.34	na	na	-	27.51	28.61	4.36	4.75		
Slovenia	157.16	148.71	5.68	87.86	75.78	15.93	14.49	14.57	3.16	3.33		
Total CEE	4,967.45	4,461.17	11.35	2,456.97	2,352.12	4.46	31.25	31.37	100.00	100.00		

## TOP 5 CEE countries as GWP (EUR million) &amp; market shares (%)



## Weight of MTPL GWP in non-life business



## Non-life insurance

Non-life insurance GWP accounted for EUR 15.9 billion, 11.8% up y-o-y at regional level. At the same time, claims paid increased by 13.9%, to EUR 7.14 billion. All markets saw a positive trend in the premiums' evolution, at rather high paces considering the difficult economic conditions, except for Poland and Hungary, where although positive, the growth trend was quite slow. In both countries, while several non-life LoBs saw a negative trend, the highest impact came from the GWP decrease for the MTPL insurance line.

Poland, Czechia, Romania, Hungary, Slovenia are the Top 5 non-life markets, the only change in hierarchy being the reversed ranks of Romania and Hungary, mostly owed to the different performances of the motor insurance markets, especially of the mandatory MTPL insurance class.

## Motor insurance

Motor insurance lines remain the main business line in the non-life segment. In 1H, GWP reached EUR 4.97 billion (11.35% up y-o-y) for MTPL insurance and EUR 3.28 billion (13.14% up y-o-y) for Motor Hull. With very few exceptions, claims expenses increased in all markets.

Motor insurance classes remain, at least for the time being, the business lines where inflation already had a visible impact. Claims inflation is already reality which insurers are confronted and, in some cases, has already led to motor insurance prices going up.

However, as the MTPL markets in the region remain highly competitive, adapting prices to match the higher claims expenses is not an easy task. Market authorities are also preoccupied by the possible imbalance between tariffs and claims inflation. The Polish authority launched a strong signal, by issuing new recommendations concerning the liquidation of motor insurance claims and which are expected to have a significant impact on

repair costs. They will enter into force on 1 November this year. Insurers are legally obliged to ensure that the premiums they collect from drivers cover at least the costs of paid claims and the costs of their business. As a result, higher damage costs will directly lead to higher policy prices for customers.

An analysis released by Deloitte Poland forecast claims inflation may reach up to 19-27% increase in the Polish MTPL prices in Q1 2023. Among the factors that may determine a rise in repair costs, not only in Poland but everywhere across the region, there are:

- The increase in hourly labor costs in car repairs, especially in small towns, with little competition;
- Increase in the prices of parts in the cost estimate method, especially when the use in calculation of discounts applicable in repair shops and points of sale cooperating with the insurer is prohibited and/or victims are entitled to use original parts for repair, regardless of the age or condition of the vehicles;
- Reducing the number of settlements and increasing the costs of the small claims settlement process with low compensation amounts by complicating the settlement process.

Meanwhile, customers are interested in keeping the price for this insurance as low as possible, as proved by their predominant use of price as the main criteria when choosing the insurance provider. As many people will find it very difficult to bear these costs, insurers are already worried that an increase in the number of uninsured vehicles may occur.

## Property insurance

GWP for property insurance reached EUR 3.32 billion, 13.52% up y-o-y. Compensations paid for property claims also increased, by almost 18%, to EUR 1.18 billion.

Secondary perils became increasingly important, the frequency and severity of the events increasing visibly. In the first half of the year, hailstorms hit Slovenia in May and June, but also North Macedonia and Montenegro. Poland has reported significantly

## CEE – GTPL INSURANCE

Country	GWP			Claims			Share in non-life GWP		Regional market share	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021	1H2022	1H2021
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	%	%	%	%
Albania	3.64	4.05	-10.18	0.05	0.10	-44.53	4.79	6.06	0.44	0.52
Bosnia & Herzegovina	3.21	3.17	1.41	0.55	0.80	-31.71	1.80	1.92	0.39	0.41
Bulgaria	13.55	18.03	-24.86	2.09	2.13	-1.96	1.80	2.64	1.64	2.33
Croatia	42.50	44.29	-4.04	14.49	13.68	5.87	5.98	6.88	5.14	5.72
Czechia	246.32	222.59	10.66	105.05	84.36	24.53	8.27	9.18	29.78	28.74
Estonia	8.51	8.22	3.54	2.68	3.59	-25.20	3.69	4.10	1.03	1.06
Hungary	27.42	28.17	-2.67	10.52	7.47	40.73	2.53	2.63	3.31	3.64
Kosovo	na	na	-	na	na	-	-	-	-	-
Latvia	15.25	13.99	9.02	3.62	3.32	8.84	4.14	4.72	1.84	1.81
Lithuania	16.87	14.95	12.79	5.85	4.32	35.51	3.88	4.27	2.04	1.93
North Macedonia	2.84	2.39	18.98	0.08	0.08	-6.48	3.25	2.95	0.34	0.31
Montenegro	1.81	1.41	28.21	0.12	0.95	-87.54	4.05	3.55	0.22	0.18
Poland	343.54	321.43	6.88	131.37	119.59	9.84	6.44	6.21	41.54	41.50
Romania	35.17	31.04	13.33	na	na	na	2.39	3.03	4.25	4.01
Serbia (Q1 data)	8.60	8.08	6.45	0.98	1.01	-3.57	4.12	4.45	1.04	1.04
Slovakia	na	na	-	na	na	-	-	-	-	-
Slovenia	57.85	52.79	9.58	9.62	10.81	-10.96	5.33	5.17	6.99	6.81
Total CEE	827.07	774.60	6.77	287.06	252.22	13.81	5.20	5.45	100.00	100.00

more damage from storms, hailstorms and fires. In Czechia, after the record year in property claims seen in 2021 because of the extraordinary occurrence of a strong tornado in Breclavsk and Hodoninsk, 2022 seems a milder year. Yet, claims paid for storms are still important, while fires also generated a rather high amount of claims expenses.

However, inflation is again the most disquieting factor also in property insurance. There are already analysis in the insurance world showing that a serious threat raised by inflation is the properties' underinsurance.

According to a survey by the Czech Insurance Association, 65% of Czechs have household insurance. However, according to an analysis of data from insurance companies, only a third of insurance contracts are set to the correct sum insured, or limit of insurance benefits - such that it would be possible to purchase a new home. *From the detailed data of our members, it emerged that the most common amount of underinsurance is between 20% and 49%. This is disturbing. And even more worryingly, 15% of contracts even reach more than 50% underinsurance. With such underinsurance, in the event of an insured event, clients will unfortunately receive at most only half of the actual damage,* explains Petr Jedlička, insurance analyst of the Czech Insurance Association.

Homeowners usually estimate the value of property subjectively, without assessing the increase in the value of real estate and equipment. In fact, considering the high pace at which construction materials costs are increasing, it is really difficult assessing correctly how much money would be needed to restore a damaged house. Worse, even if the assessment is correct at the time of concluding the insurance policy, it will soon become outdated. Inadequate sums insured are also painfully verified in the event of damage caused by natural disasters.

## Future expectations

While in their interim report, several big insurers in the region state their conviction that their year-end results will be align with the targets set in the beginning in the year, there is also unanimity

in expressing a real concern with regard several factor.

We have repeatedly talked about the impact of the high inflation on several business aspects. Yet, there are other worrying issues too. The "regulatory inflation", as Polish insurers called it at their recent congress, is putting an additional pressure on the sector's activity.

*We are observing a significant increase in the importance of aspects related to the broadly understood protection of clients' rights, both on the forum of the European Union institutions and on the national forum, especially on the part of the courts and clients' awareness.*

*This issue has a huge impact on what the regulations regarding the sale of insurance products will look like in the future, as well as how financial supervision should be performed,* Krystian Wiercioch, Deputy Chairman of the Polish Financial Supervision Authority stated. *Today, it is not enough for the economic account to tighten - the key component of this account is to recognize customer needs and take into account these needs in the product offer,* he added.

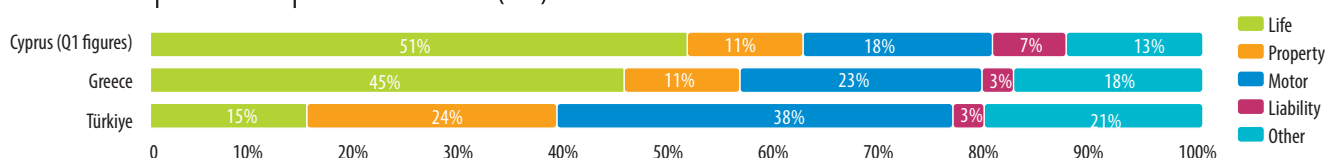
On the other side of the barricade, Jan Grzegorz Prądyński, the President of the Polish Insurance Association, stated the insurers' standpoint. He argued that *the market is becoming more and more over-regulated, which poses a threat to its effectiveness and, in the longer term, to its stability.* Although this trend is more visible in the Polish market than elsewhere in the region, given the context it is rather probable that similar situations will occur also in some of the other markets. It is already happening in the Romanian motor insurance market, where a new norm imposing new rules for the MTPL intermediation fees has generated hot debates. While aiming for more cost transparency on behalf the consumers, the new regulation created lots of difficulties for the market players and may have a strong impact on their business configuration.

As such, the year-end, as well as the next year's results, are rather uncertain and opened to all possibilities. It will take a lot of determination, imagination and creativity to preserve the market stability and push forward insurers' business. Fortunately, as CEE insurers have already demonstrated these qualities in the past, one may hope they will do it again.

## SEE - OVERALL MARKET DATA

Country	GWP			Claims			Regional market share	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m.	EUR m.	%	EUR m.	EUR m.	%	EUR m.	EUR m.
Cyprus (Q1 figures)	273.64	242.65	12.77	115.09	103.76	10.92	3.58	3.50
Greece	2,144.85	2,140.57	0.20	NA	NA	-	28.06	30.86
Türkiye	5,226.55	4,553.81	14.77	2,174.90	1,924.11	13.03	68.37	65.64
<b>Total SEE</b>	<b>7,645.04</b>	<b>6,937.02</b>	<b>10.21</b>	<b>NA</b>	<b>NA</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>

## SEE GWP portfolio per countries (%)







**Marina MAGNAVAL**  
Senior Editor  
XPRIMM Publications

## Ex-USSR INSURANCE MARKETS

# Ups and downs between surging inflation and international sanctions

The economic development of the CIS countries from 1991 to 2022 had several stages: from formation to transformation and crisis phenomena. Economic growth in the ex-USSR area resumed in 2021, following the contraction in 2020, as mobility and activity restrictions were eased or removed, and a more favorable external environment boosted exports from the region. The aggregate GDP of the CIS and Georgia was about 4.3% in 2021 and was expected at 3.2% in 2022 after a 2.6% contraction in 2020.

Most of the CIS area experienced a strong upsurge in inflation in 2021, resulting from a combination of supply-chain disruptions, higher food, and energy prices, strengthened demand and, in some cases, past exchange rate depreciation, along with elevated inflationary expectations. The governments in the region responded with various measures, introducing price controls, exports quotas and implementing agreements with producers to limit price increases. Monetary authorities have also reacted to the spike in inflationary pressure by tightening policies.

Interest rate increases in 2021 have been substantial in all countries of the region. Despite tighter monetary policy, retail lending, in particular mortgage lending, has grown rapidly, supporting further the recovery of demand. In some countries, the crisis also left the legacy of public debt.

The economic outlook for the region faces multiple downside risks. Volatile commodity prices will remain a major determinant of economic performance. Slow progress in vaccination campaigns may lead to new waves of infections. The war, geopolitical tensions, including internal political tensions, could mount, undermining business and consumer confidence. The

banking sector may come under stress in some countries as temporary forbearance measures are withdrawn, and the share of non-performing loans rise.

The region's GDP is expected to shrink in 2022. The fallout from the Russia-Ukraine war will reverberate through the regional economy this year via soaring inflation and weaker external demand and investment. International sanctions will hammer activity in heavyweight Russia, while Ukraine's economy will be devastated by the war. The widening or intensification of the conflict are key risks.

Regional inflation eased fell to a four-month low of 15.5% in June (May: 16.2%), chiefly on the back of moderating inflation in Russia. Similarly, price pressures eased in Georgia, Kazakhstan, and Kyrgyzstan. In contrast, inflation picked up elsewhere, led by Ukraine and Moldova. Although regional inflation appears to be on the downtrend, the outlook remains volatile.

**Russia** is an important link in the formation and development of foreign economic relations, integration of the CIS into the world community. All reasonable scenarios for the development of the Russian economy imply continued sanctions pressure for at least 10 -15 years, according to a report by the Center for Macroeconomic Analysis and Short-Term Forecasting. However, the main crossroads for the Russian economy is now connected not with the activity of the state and businesses, but with the prospects for a military operation in Ukraine, believes Oleg Buklemishev, Associate Professor of the Department of Macroeconomic Policy and Strategic Management of Moscow State University. *If Russia fights for a long time and, accordingly, is under sanctions for a long time, everything will be much worse with*

## Ex-USSR – OVERALL MARKET DATA

Country	GWP		Change	Claims		Change	Regional market share	
	1H2022	1H2021		1H2022	1H2021		1H2022	1H2021
	EUR m.	EUR m.		%	EUR m.		EUR m.	%
Armenia	79.87	45.06	77.24	31.13	23.04	35.12	0.43	0.35
Azerbaijan	276.63	223.55	23.75	98.43	122.65	-19.75	1.48	1.74
Belarus	343.01	290.11	18.23	228.60	169.65	34.75	1.84	2.26
Georgia	163.74	119.29	37.26	73.83	51.64	42.99	0.88	0.93
Kazakhstan	912.31	841.46	8.42	165.35	116.29	42.19	4.89	6.54
Kyrgyzstan	11.94	7.74	54.27	2.25	0.98	130.17	0.06	0.06
Moldova	58.77	41.03	43.22	19.45	14.33	35.72	0.31	0.32
Russia	16,009.83	10,373.09	54.34	7,848.07	4,460.31	75.95	85.75	80.64
Tajikistan	na	na	-	na	na	-	-	-
Turkmenistan	na	na	-	na	na	-	-	-
Ukraine	571.84	787.12	-27.35	191.08	268.74	-28.90	3.06	6.12
Uzbekistan	242.78	134.44	80.59	101.05	38.64	161.51	1.30	1.05
Total Ex-USSR	18,670.72	12,862.89	45.15	8,759.24	5,266.26	66.33	100.00	100.00

*the economy than one might imagine as after the inevitable falling of GDP, the quality of recovery growth will be low, the expert said.*

**Kazakhstan** is the one of the biggest insurance markets in the region after Russia. According to Adviser to the President of Kazakhstan, Deputy Chair of the Supreme Council for Reforms, and former EBRD (European Bank for Reconstruction and Development) President Sir Suma Chakrabarti, one of the biggest things happening in Kazakhstan over the past months is the trajectory of political reforms. *Investors like stability and Kazakhstan for many years was known for its stability. Then January came and the events in January. It was clearly the time when people were crying out for a new political framework, a new way of creating stability in the country and the President responded extremely well,* said Chakrabarti.

In 2021 the total investment inflow was USD 24 billion, which is 38% higher y-o-y. At the same time, oil and gas investments accounted for only 28%, compared to 50% in 2018-2019, as the country tries to move away from its dependence on fossil fuels. All the key sectors showed growth, including mining - 18.3%, manufacturing - 65.4%, trade - 46.7%, finance and insurance - 57.2% and construction - 37.8%. At the same time, the current regional and global economic outlook is tough. The Global Economic Prospects report published by the World Bank in June says the compounded damage from the COVID-19 pandemic, and the ongoing situation in Ukraine prolonged the slowdown in the global economy, what could become a "protracted period of feeble growth and elevated inflation". *The conflict and the significant sanctions imposed on Russia are of course a very serious drag on Kazakhstan's economic prospects. The Russian economy is contracting and likely to continue contracting throughout this year and into next year,* said Chakrabarti. According to the IMF forecast for Kazakhstan, Kazakhstan's GDP growth will decrease to 2.3% in 2022, instead of last autumn's forecast of 3.8%.

Under the new investment policy until 2026 approved by the government on June 23, Kazakhstan seeks to bring the level of investment in fixed capital up to 25.1% of GDP and increase the inflow of foreign direct investment up to USD 25.5 billion in 2026.

According to Kazakh Minister of National Economy Alibek Kuantyrov, the growth rate of Kazakhstan's economy reached 4.6% in the five months of 2022. There were steady dynamics in the real sector, growth in the services sector and a big increase in the volume of exports.

Tajikistan's GDP grew rapidly in the first quarter of 2022. Its size is estimated at more than TJS 20 billion (over USD 1.6 billion). The Ministry of Economic Development and Trade of the Republic emphasized that, compared to the same period in 2021, GDP grew by 7.5%. According to the agency, industry (22%) and trade (19%) dominate in the structure of the gross domestic product.

According to the forecast, in 2022 **Tajikistan's** GDP should be about TJS 105 billion (USD 8.3 billion). Its estimated level is 8%. However, World Bank analysts predict a sharp slowdown in economic growth in the republic in 2022 and 2023. According to them, the country's GDP in these years will be 5.5% and 4.5%. Experts from the Asian Development Bank believe that Tajikistan's economic growth will slow down in 2022 due to the sanctions imposed on Russia, its main trading partner. At the same time, analysts stressed that in 2023 the country's GDP will recover and show good results. After a strong economic recovery to 9% in 2021, GDP growth will slow to 2% this year.

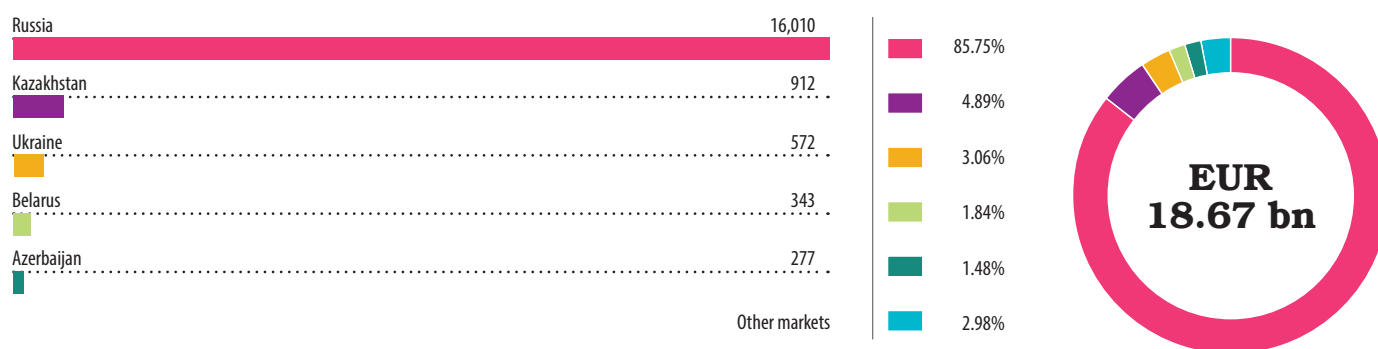
In 2022, internal processes, complicated by the socio-economic consequences of the pandemic and war, will become decisive for



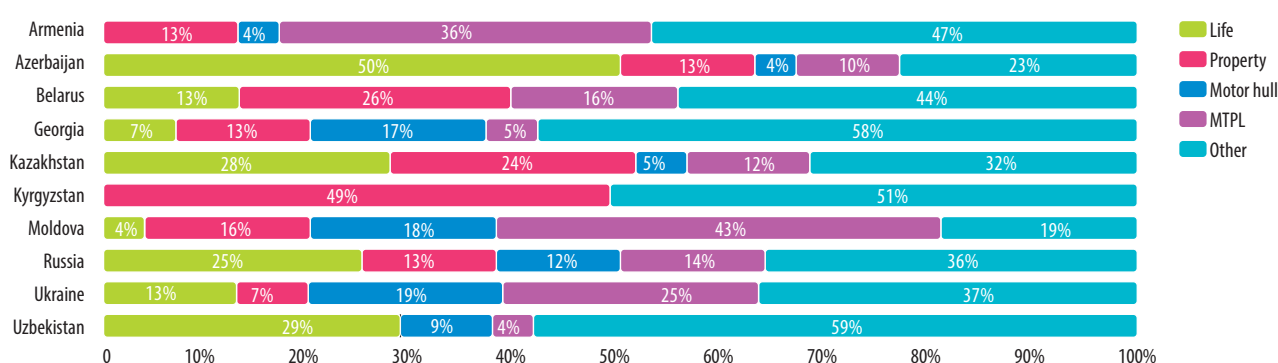
# Partners in resilience

#partneringforprogress

## TOP 5 Ex-USSR countries as GWP (EUR million) & market shares (%)



## Ex-USSR GWP portfolio on selected countries (%)



most **countries of the post-Soviet space (PSP)**. In the economy, the PSP countries in 2022 will be characterized by a global trend towards recovery growth. According to WB forecasts, Tajikistan and Uzbekistan will lead in terms of growth rates (5.6% and 5.5% respectively), Belarus will close the list (1.9%). Rising prices and high demand for energy resources and raw materials in the world will ensure the growth of export earnings in Russia, Kazakhstan, Azerbaijan, Turkmenistan, Uzbekistan, and Belarus (due to the processing of export raw materials).

Insurance market as an essential component of the economy, ended last year with a growth, while this year is again undergoing new stress-tests

The **regional insurance market\*** ended 2021 with growth of more than 28% in European currency. Total GWP volume exceeded EUR 26.62 billion. On the other hand, increase in paid claims was also quite significant - almost 22%. And their volume reached EUR 10.56 billion, according to XPRIMM statistics.

Among the markets for which annual data are available for comparison, the most rapid growth was observed in Kazakhstan - by almost 52%, and the share of this market in the regional portfolio exceeded 6%. It is worth noting the market of Kyrgyzstan, which remained at the level of 2020 and recorded neither a fall nor an increase.

Paid claims saw an increase in almost all markets under analysis, except for Kazakhstan, where they decreased by 7.82%. At the same time, the most significant increase was recorded by the Kyrgyz market, which at the same time is the smallest market in the region in terms of volume.

The **Russian** insurance market that occupies about 80% of the regional portfolio, grew by 17.52% in 2021 in local currency supported by recovery in economic activity after 2020. GWP increased in all major segments and in 2021 exceeded RUB 1.8 trillion (EUR 21.50 billion). Yet, at the end of the year, profit of Russian insurers decreased by 1% y-o-y to RUB 245 billion, mostly because the reduction in investment results.

In 1Q2022 the market decreased by 1.64% y-o-y due to deterioration in foreign trade and financial conditions. GWP amounted to RUB 452.28 billion (EUR 4.83 billion). At the same time, the fall was only in life insurance (almost 11%), while non-life insurance recorded a slight increase. The main drop was observed in the types of insurance related to lending to individuals, as well as in the investment life insurance. At the same time, all key property types of insurance and MTPL grew.

In 2022, a reduction in demand for insurance services is expected, caused by the uncertainty of the further development of the geopolitical and economic situation and sanctions pressure. A slowdown in the rate of premium growth will be observed in most segments of the insurance market, while a reduction in premiums is not expected. According to the forecast, in 2022, compared to 2021, the insurance market may grow by 7-9%, and its volume will come close to RUB 2 trillion.

\* data for Turkmenistan and Tajikistan are not included, data for the markets of Ukraine and Uzbekistan include estimated data for YE2021 (based on 3Q2021 vs 3Q2020 growth rates in local currency and transformed into EUR) and YE2020 figures



## ACCIDENT INSURANCE FOR YOUNG PERSONS



**HAVE A KID  
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# Verisk Extreme Event Solutions:

catastrophes around the world to cause about USD 123 billion in insured losses

Verisk Extreme Event Solutions released its 2022 Global Modeled Catastrophe Losses Report detailing key global financial loss metrics based on its latest suite of catastrophe models. Analysis highlights key factors that contribute to increase in insured losses: the number and value of properties exposed to risk, natural variability when losses occur, climate change, and man-made loss drivers.



The most significant factor driving increased catastrophe losses over the past few years is the rise in exposure values and replacement costs, said Bill CHURNEY, President of Verisk Extreme Event Solutions

Verisk estimates that on an annual average basis, catastrophes around the world are expected to cause about USD 123 billion in insured losses compared to an average of USD 74 billion in actual losses over the past 10 years. This risk profile is assessed using Verisk's global suite of models, which generate an industry exceedance probability (EP) curve that helps put years with high insured losses – like 2011 and 2017 - into context.

*The most significant factor driving increased catastrophe losses over the past few years is the rise in exposure values and replacement costs, said Bill CHURNEY, President of Verisk Extreme Event Solutions. Both are represented by continued construction in high-hazard areas as well as high levels of inflation that are driving up repair and rebuild costs. For this reason, it's important for insurers to regularly reassess their exposures, particularly in the most vulnerable urban and coastal areas. Updating the property replacement values*



*used in catastrophe modeling and other processes helps to ensure a more informed view of risk.*

It is also important to consider the uncertainty and natural variability associated with global catastrophe losses. The current 5-year actual loss period has immediately followed a 10-year period of lower levels of loss highlighted by fewer loss-causing hurricanes in the Atlantic basin. Far larger years of insured losses can and will likely occur in today's climatic conditions, and while climate change is contributing to increased catastrophe losses, it is to a lesser degree than the growth in the number and value of exposed properties.



Verisk's models estimate a more than 40% chance of experiencing a 5-year average loss in excess of USD 100 billion, meaning the last 5 years should not be viewed as out of the ordinary. Although many public statements have been made attributing this increase primarily to climate change, the analysis indicates that a number of factors contribute to this doubling of the most recent 5-year average

loss over the previous 5-year period. Also, Verisk's models show at least a 50% chance of experiencing a single year in the next decade with insured losses in excess of USD 200 billion.

*All catastrophes can contribute to losses, whether they are a single major event, an aggregation of smaller ones, or a combination of the two. As demonstrated by this report, Verisk models are effectively capturing the scale of recent losses, but also indicate that years of more extreme losses are possible, said Dr. Jayanta GUIN, Executive Vice President and Chief Research Officer of Verisk Extreme Event Solutions. We continue to invest in catastrophe models that provide a global and comprehensive view of the complex nature of risk today and of the near-present climate.*

The first and most significant factor, that have contributed to the recent increases in natural catastrophe losses, is the rise in exposure values and replacement costs, represented both by continued construction in high-hazard areas and by high levels of inflation that are driving up repair costs. It's important to note that a typical 5% increase in exposure value and repair costs per year would result in a more than 60% increase in losses over a 10-year period. For this reason, it's important to regularly reassess your exposure data quality across all geographic regions. The models rely on accurate property characteristics to produce a realistic projection of potential losses, with up-to-date replacement values playing a particularly large role in driving modeled losses. The second most significant factor driving increased catastrophe losses is the uncertainty and natural variability associated with global catastrophe losses. The current 5-year actual loss period has immediately followed a 10-year hurricane drought in the United States, and while several notable hurricanes have affected the United States since 2017, the industry has not experienced a single, large event exceeding USD 50 billion. The third most significant factor is climate change. The latest report from the Intergovernmental Panel on Climate Change (IPCC) concludes climate change is affecting all perils to varying degrees. This is supported by the tremendous body of scientific research that utilizes the 6th generation of climate models (CMIP6). From a scientific point of view, there are higher levels of confidence in perils that are directly tied to changes in temperature and the hydrological cycle of a region. Therefore, perils such as floods, droughts, wildfire, and sea level rise (and therefore storm surge) are becoming more severe, and the observational data corroborates the science. The fourth factor is



All catastrophes can contribute to losses, whether they are a single major event, an aggregation of smaller ones, or a combination of the two. As demonstrated by this report, Verisk models are effectively capturing the scale of recent losses, but also indicate that years of more extreme losses are possible, said Dr. Jayanta GUIN, Executive Vice President and Chief Research Officer of Verisk Extreme Event

the impacts of man-made loss drivers such as social inflation and legal/regulatory changes.

Global economic losses include insured losses and uninsured sources, which may include properties with no insurance, infrastructure, and lost economic productivity. Comparing insured losses with reported economic loss estimates for natural disasters since 1990 (as reported by Swiss Re, Munich Re, Aon Benfield, AXCO, Lloyd's, and the Insurance Bureau of Canada), Verisk has determined that global insured losses make up about a quarter of global economic losses on average, when trended to 2020 dollars. Based on Verisk's modeled global insured AAL, this would correspond to an economic AAL of more than USD 370 billion.

The 2022 edition of the Global Modeled Catastrophe Losses report bases its global loss metrics on Verisk's latest suite of catastrophe models, including updates released during 2022 and updated industry exposure databases (IEDs) around the world.

Extreme event solutions at Verisk (AIR Worldwide) provides risk modeling solutions that help individuals, businesses, and society become more resilient to extreme events. In 1987, Verisk founded the catastrophe modeling industry and today models the risk from natural catastrophes, supply chain disruptions, terrorism, pandemics, and casualty catastrophes. Insurance, reinsurance, financial, corporate, and government clients rely on Verisk's advanced science, software, and consulting services for catastrophe risk management, insurance-linked securities, longevity modeling, site-specific engineering analyses, and agricultural risk management. Verisk's extreme event solutions team is headquartered in Boston, with additional offices in North America, Europe, and Asia.



# Albania



S&P Rating

**B+ , STABLE**

Moody's rating

**B1, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Bank of Albania

<sup>3</sup> Albanian Financial Supervisory Authority (AFSA)

<sup>4</sup> XPRIMM calculations

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
GDP, current prices	ALL billion <sup>1</sup>	1,550.65	1,636.73	1,691.90	1,644.08	1,890.28
	EUR billion <sup>4</sup>	11.66	13.26	13.89	13.29	15.65
GDP per capita, current prices	ALL <sup>1</sup>	537,640	567,770	587,280	571,297	657,961
	EUR <sup>4</sup>	4,044	4,600	4,823	4,618	5,449
Unemployment rate	% of total labor force <sup>1</sup>	13.70	12.30	11.47	11.68	10.60
Population	Millions <sup>1</sup>	2.88	2.88	2.88	2.88	2.87
ALL/EUR exchange rate	End of period <sup>2</sup>	132.95	123.42	121.77	123.70	120.76
Gross written premiums	ALL million <sup>3</sup>	16,112.99	16,922.57	17,617.59	16,608.01	19,267.80
	EUR million <sup>4</sup>	121.20	137.11	144.68	134.26	159.55
Paid claims	ALL million <sup>3</sup>	4,798.52	6,975.68	6,377.26	7,496.56	6,665.58
	EUR million <sup>4</sup>	36.09	56.52	52.37	60.60	55.20
Insurance penetration degree	% in GDP <sup>4</sup>	1.04%	1.03%	1.04%	1.01%	1.02%
Insurance density	EUR/capita <sup>4</sup>	42.02	47.56	50.22	46.65	55.54

At the end of June 2022, the Albanian insurance market totaled ALL 9.77 billion (~EUR 82 million), experiencing an increase by 10.25% compared to January - June 2021, official half-year data provided by the Albanian Financial Supervisory Authority (AFSA) showed.

*So far, the insurance market has shown good resilience through several shocks, from the earthquakes to the pandemic. (...) The emerging global shocks, find insurance companies with well-diversified portfolios and the reinsurance buffer unaffected. We are aware though that the full impact of these shocks is still ahead of us (...), said Ervin METE, General Executive Director, AFSA.*

Non-Life GWP was ALL 9.02 billion (~EUR 75.8 million), an increase by 10.23%

compared to January - June 2021, while the amount of gross insurance premiums in Life insurance business was ALL 738.6 million (EUR 6.2 million), up by 8.97% y-o-y. Reinsurance accepted GWP increased to ALL 11.84 million, representing about 0.12% of total premiums.

The number of insurance policies increased by 21.08% y-o-y to 566,051, of which 503,951 non-life policies (an increase of 20.04% y-o-y), and 62,089 - life policies, an increase by 30.16% compared to January - June 2021.

*In the first half of 2022, the solvency ratio remained above the required levels for both the non-life and life insurance companies. Assets covering technical provisions, reached 134% for non-life insurance companies and 124% for non-life insurance companies in*

Non-life insurance policies increased by 20.04% y-o-y, while life policies expanded by 30.16% y-o-y

Gross claims paid for life segment that jumped by 60.7 % in 2021 mostly as a result of Covid-19, have come down by 36.1% in H1 2022

Only 3 in every 100 households are insured in Albania

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	82.05	72.28	13.52	26.64	30.50	-12.68	100.00	100.00
<b>TOTAL LIFE</b>	6.20	5.53	12.20	1.13	1.72	-34.23	7.56	7.65
<b>TOTAL NON-LIFE</b>	75.75	66.74	13.50	24.35	27.81	-12.42	92.32	92.34
Accidents insurance	2.31	1.59	45.49	0.27	0.37	-27.44	2.82	2.20
Health insurance	3.81	3.51	8.48	2.43	2.27	7.20	4.64	4.86
<b>Overall property insurance</b>	11.51	10.13	13.66	3.32	8.08	-58.88	14.03	14.01
Fire and allied perils	9.95	8.52	16.79	3.27	4.19	-22.13	12.12	11.78
Damages to property	1.56	1.61	-2.93	0.06	3.88	-98.58	1.91	2.23
<b>Overall motor insurance</b>	52.55	45.70	15.00	18.09	16.92	6.91	64.05	63.22
Motor Hull	5.19	4.27	21.59	2.97	3.01	-1.31	6.33	5.91
MTPL	47.36	41.43	14.32	15.12	13.92	8.69	57.72	57.32
- DMTPL	39.31	35.83	9.73	13.51	11.18	20.84	47.91	49.57
- Green Card	7.01	4.66	50.38	1.42	2.64	-46.43	8.54	6.45
- Border	1.04	0.94	10.44	0.19	0.09	118.57	1.27	1.30
Goods in transit	0.28	0.26	8.07	0.12	0.03	348.35	0.34	0.35
GTPL	3.64	4.05	-10.18	0.05	0.10	-44.53	4.43	5.60
Suretyship	1.34	1.46	-8.62	0.06	0.04	46.97	1.63	2.02
Other non-life insurance	0.33	0.06	467.76	-	-	-	0.40	0.08
<b>Reinsurance accepted</b>	0.10	0.01	868.47	-	-	-	0.12	0.01
<b>Paid Claims for Compensation Fund</b>	-	-	-	1.15	0.98	17.76	-	-

1 EUR = 122.67 Lek - ALL (June 30<sup>th</sup>, 2021)

1 EUR = 119.13 Lek - ALL (June 30<sup>th</sup>, 2022)





Ervin METE  
General Executive  
Director, AFSA

June this year, pointed out Ervin METE.

According to presented figures, the number of claims paid in January - June 2022 was 30,402, an increase by 3,578 compared to January - June 2021. Of those, 29,076 claims were paid by Non-Life Insurers and 1,326 by Life insurers.

During January - June 2022, the total of paid claims was ALL 3.17 billion (~EUR 26.6 million), or 15.2% less y-o-y. Of this total, ALL 2.90 billion was related to non-life claims, ALL 134.65 million represented life indemnities, the remaining ALL 137.34 million being paid claims for Compensation Fund.

Gross claims paid for life insurance that jumped by 60.7 % in 2021 mostly as a result of Covid-19, have come down by 36.1% in the first half of 2022. Non-life insurance saw a decline of 10.6% in gross paid claims for 2021 and a further decline of 15% in the first half of 2022, because most of the claims following 2019 earthquakes were settled during 2020.

Speaking about the large insurance gap on local insurance market, especially when it comes about housing insurance and NatCat risks, Ervin METE pointed out that as for the NatCAT risks, only 3 in every 100 households are insured, which shows we need to put more efforts in expanding this market. We need to increase the awareness that the state compensation in case of disaster is not automatic or affordable in many cases, as well as improve the level of financial literacy. AFSA is particularly focusing on financial education amongst students and youth.

After the 2019 earthquakes, homeowners' awareness on the importance of voluntary home insurance increased, reflected in gross written premiums. Until June this year, the premiums reached 13.1% of the market share from 12.8% in 2021 and 10.4% in 2020. Albeit the small size, the market showed a good performance during the crisis thanks to the effective risk transfer mechanism of reinsurance and of regulations in place to limit earthquake risk retention.

(A.V.)

# Albania

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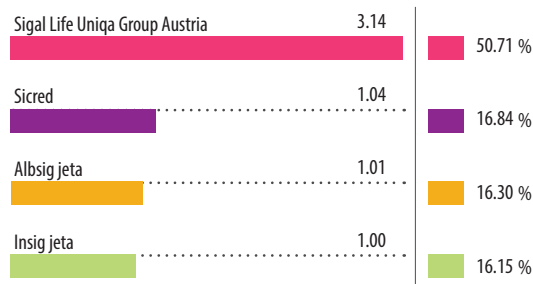
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

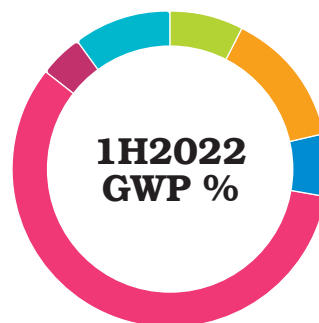
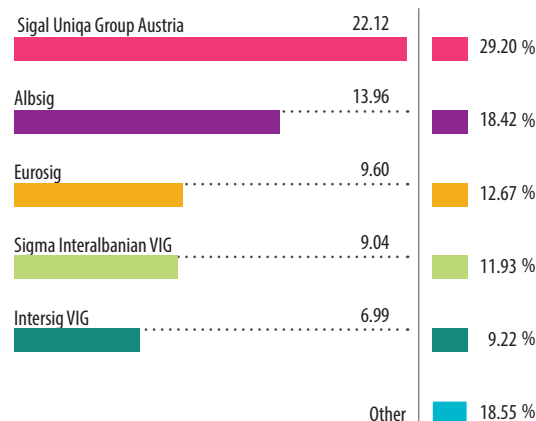
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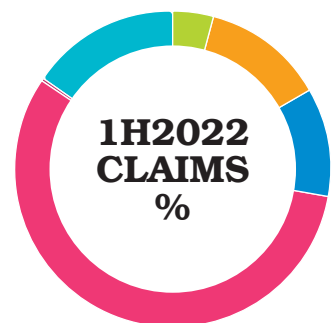
## Life insurance ranking (GWP, EUR m)



## Top 5 Non-life insurance (GWP, EUR m)



Life	7.56
Property	14.03
Motor Hull	6.33
MTPL	57.72
GTPL	4.43
Other	9.94



Life	4.24
Property	12.47
Motor Hull	11.15
MTPL	56.78
GTPL	0.21
Other	15.16

# Bosnia and Herzegovina



S&P Rating  
**B, STABLE**

Moody's rating  
**B3, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Central Bank of Bosnia and Herzegovina

<sup>3</sup> AZOBIH - Insurance Agency of Bosnia and Herzegovina

<sup>4</sup> XPRIMM calculations

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	BAM billion <sup>1</sup>	31.38	33.44	35.30	34.26	37.07
	EUR billion <sup>4</sup>	16.04	17.10	18.05	17.51	18.95
<b>GDP per capita, current prices</b>	BAM <sup>1</sup>	8,954	9,566	10,110	9,824	10,650
	EUR <sup>4</sup>	4,578	4,891	5,169	5,023	5,445
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	20.50	18.40	15.70	15.90	15.80
<b>Population</b>	Millions <sup>1</sup>	3.50	3.50	3.49	3.49	3.48
<b>BAM/EUR exchange rate</b>	fixed <sup>2</sup>	1.95583	1.95583	1.95583	1.95583	1.95583
<b>Gross written premiums</b>	BAM million <sup>3</sup>	683.29	712.83	762.78	756.45	818.40
	EUR million <sup>4</sup>	349.36	364.46	390.00	386.76	418.44
<b>Paid claims</b>	BAM million <sup>3</sup>	266.77	279.27	301.25	309.78	346.94
	EUR million <sup>4</sup>	136.40	142.79	154.02	158.39	177.39
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	2.18%	2.13%	2.16%	2.21%	2.21%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	99.70	104.25	111.72	110.92	120.21

At the end of the first half-year of 2022, the BiH insurance market totaled EUR 227.4 million (BAM 444.7 million), 9.4% more y-o-y, as statistics from the local insurance agency - AZOBIH shows.

The GWP portfolio consisted of 21.4% - life insurance, the equivalent of EUR 48.7

million, out of which a total of EUR 41.9 million was generated by FBiH life insurers and about EUR 6.8 million by RS life insurers.

From the non-life subclasses (EUR 178.7 million), 9.2% of GWP corresponded to the property lines and 57.5% to motor

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	227.38	207.81	9.42	98.18	82.73	18.68	100.00	100.00
<b>TOTAL LIFE</b>	48.67	42.79	13.74	27.28	21.69	25.75	21.40	20.59
<b>TOTAL NON-LIFE</b>	178.72	165.02	8.30	70.90	61.03	16.17	78.60	79.41
Accidents insurance	13.78	12.86	7.16	6.13	6.65	-7.79	6.06	6.19
Health	3.73	2.47	50.98	1.39	0.90	54.98	1.64	1.19
Goods in transit	1.47	1.12	31.10	0.13	0.09	46.91	0.65	0.54
<b>Overall property insurance</b>	20.95	18.80	11.44	7.06	3.87	82.44	9.22	9.05
Fire and allied perils	10.36	9.46	9.56	4.32	1.63	164.43	4.56	4.55
Damages to property	10.59	9.34	13.35	2.75	2.24	22.66	4.66	4.50
<b>Overall motor insurance</b>	130.79	122.80	6.51	54.83	47.36	15.77	57.52	59.09
Motor Hull	23.14	20.35	13.72	15.62	14.35	8.85	10.18	9.79
MTPL	107.65	102.45	5.07	39.21	33.01	18.78	47.34	49.30
GTPL	3.21	3.17	1.41	0.55	0.80	-31.71	1.41	1.52
Credit insurance	2.31	1.93	19.69	0.56	1.12	-49.96	1.02	0.93
Financial loss	1.67	1.24	34.95	0.15	0.11	29.69	0.74	0.60
Other non-life insurance	0.79	0.63	26.33	0.10	0.13	-21.04	0.35	0.30
<b>Of Total market:</b>								
<b>In Federation of Bosnia and Herzegovina</b>								
TOTAL	159.70	146.19	9.24	72.33	62.17	16.34	70.24	70.35
LIFE	41.91	36.29	15.49	22.99	18.80	22.33	18.43	17.46
NON-LIFE	117.79	109.90	7.18	49.34	43.38	13.74	51.80	52.88
<b>In Republika Srpska</b>								
TOTAL	67.68	61.62	9.83	25.85	20.55	25.78	29.76	29.65
LIFE	6.75	6.50	3.94	4.29	2.90	47.93	2.97	3.13
NON-LIFE	60.93	55.12	10.53	21.56	17.65	22.14	26.79	26.53

1 EUR = 1.95583 Convertible marks - BAM (fixed)

There are currently 25 insurance companies and one reinsurer operating on the insurance market of BiH

The local insurance market is still a highly competitive market

On 23rd June 2022, A.M. Best confirmed the rating of financial strength B + (Good), with a stable outlook of Bosna RE

Bosnia's Serb Republic offers for sale 23% of Krajina Osiguranje

insurance (Motor Hull and MTPL, summed). Insurers registered in FBiH generated about EUR 117.8 million of total non-life GWP, the remaining EUR 60.9 million being reported by Republika Srpska-based insurers.

Total paid claims and indemnities increased by 18.7% y-o-y to EUR 98.2 million, out of which EUR 72.3 million - FBiH insurers and EUR 25.9 million - RS insurers.

The insurance market in Bosnia and Herzegovina does not record significant concentration – top three largest insurers in the country in terms of GWP accounting about a quarter of total market, while the top five insurers controlling 41.30% of the market in H1 2022, which means that it is still a highly competitive market, although several mergers and acquisitions have taken place in the sector in the past few years.

The FBiH-based insurers ADRIATIC osiguranje (9.3% market share), UNIQA osiguranje (8.5%) and TRIGLAV osiguranje (8.1%), were the top three largest insurers in the country out of 25 market players - 11 of them with head office in Federation of Bosnia and Herzegovina and supervised by Insurance Supervisory Agency of the Federation of Bosnia and Herzegovina and 14 companies with head office in republic of Srpska and Brčko district of BiH, supervised by Insurance Agency of Republic of Srpska. The largest RS insurer in terms of GWP was WIENER VIG - ranked 10th (market share of 4.4%).

At the same time, 10 companies with head office in Federation of Bosnia and Herzegovina were operating on insurance market of Republic of Srpska, while 8 companies with head office in republic of Srpska and Brčko district of BiH were operating on insurance market of Federation of Bosnia and Herzegovina.

Out of the 25 market players, 16 companies dealt exclusively with non-life insurance, while the other nine companies were active in both life and non-life insurance. Out of the total number of insurance and reinsurance companies, 14 companies are majority-domestic, and 11 are majority-foreign-owned.

(A.V.)

Note:

Republic of Bosnia-Herzegovina consists of the two autonomous regions, the Republika Srpska -RS and the Federation of Bosnia- Herzegovina FBiH, each of them having an independent insurance supervisory body, as well as different legal frameworks.

# Bosnia and Herzegovina

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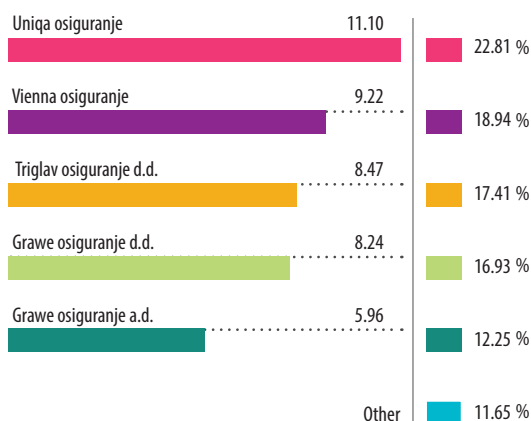
## Full market rankings

MSEcel format \* in EUR and local currency

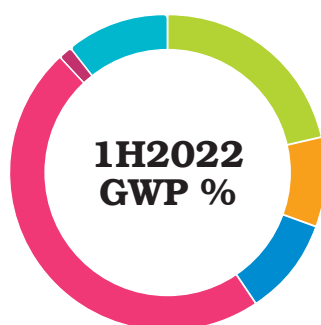
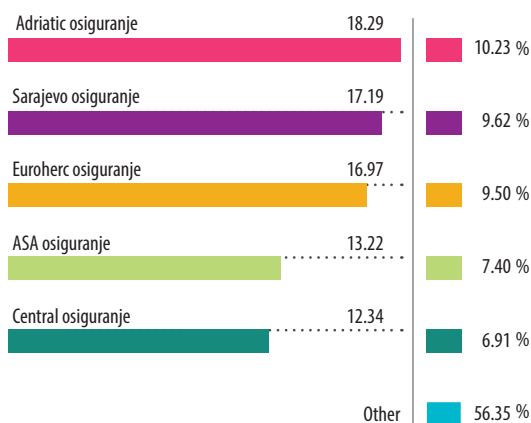
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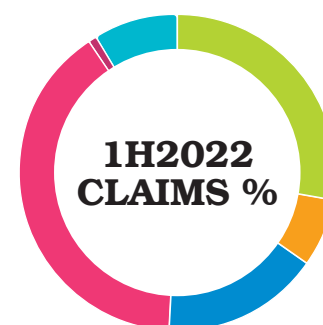
## Top 5 Life insurance (GWP, EUR m)



## Top 5 Non-life insurance (GWP, EUR m)



Life	21.40
Property	9.22
Motor Hull	10.18
MTPL	47.34
GTPL	1.41
Other	10.45



Life	27.79
Property	7.19
Motor Hull	15.91
MTPL	39.94
GTPL	0.56
Other	8.61

# Bulgaria



S&P Rating

**BBB, STABLE**

Moody's rating

**BAA1, STABLE**

Fitch Rating

**BBB, POSITIVE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Bulgarian National Bank

<sup>3</sup> The Financial Supervision Commission of Bulgaria (FSC)

<sup>4</sup> XPRIMM calculations

Among the most relevant classes in the market portfolio, property insurance class "Damages to property", including agricultural insurance, and Motor Hull class in the motor insurance segment, saw the strongest growth rates, in the double-digit range

In terms of profitability, the local insurance market posted an aggregate profit worth EUR 76.33 million, about 7% more as compared with the first half of 2021 EUR 71.2 million

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	BGN billion <sup>1</sup>	102.74	109.96	120.40	119.95	132.74
	EUR billion <sup>4</sup>	52.53	56.22	61.56	61.33	67.87
<b>GDP per capita, current prices</b>	BGN <sup>1</sup>	14,573	15,709	17,319	17,343	19,308
	EUR <sup>4</sup>	7,451	8,032	8,855	8,867	9,872
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	6.23	5.27	4.28	5.21	5.30
<b>Population</b>	Millions <sup>1</sup>	7.05	7.00	6.95	6.92	6.88
<b>BGN/EUR exchange rate</b>	fixed <sup>2</sup>	1.95583	1.95583	1.95583	1.95583	1.95583
<b>Gross written premiums</b>	BGN million <sup>3</sup>	2,177.44	2,535.71	2,910.82	2,880.25	3,246.94
	EUR million <sup>4</sup>	1,113.31	1,296.49	1,488.28	1,472.65	1,660.13
<b>Paid claims</b>	BGN million <sup>3</sup>	1,042.30	1,119.50	1,212.99	1,208.54	1,294.74
	EUR million <sup>4</sup>	532.92	572.39	620.19	617.92	661.99
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	2.12%	2.31%	2.42%	2.40%	2.45%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	157.92	185.21	214.11	212.90	241.47

Bulgarian insurance market totaled almost BGN 1.8 billion (EUR 918 million) at the end of June 2022, up by 9.8% y-o-y, according to the official data provided by Financial Supervision Commission - FSC. The number of insurance companies active in Bulgaria decreased to 44 at the end of June from 51 a year earlier.

Life insurers' GWP increased by 7.7% y-o-y to EUR 163.3 million, all classes recording a rather modest positive trend except for the UL products line which saw a 2.6% decline in premiums. Non-life insurers' GWP rose by 10.3% to EUR 754.7 million.

On the non-life side, among the main LoBs, property insurance class "Damages to property", including agricultural insurance, as well as the Motor Hull class in the motor insurance segment,

saw the strongest growth rates, in the double-digit range. *From the insurance standpoint, the most important thing for a Bulgarian is the car*, Deputy Chairman of the Financial Supervision Commission, Vladimir Savov remarked in a speech he addressed to the students of the Higher School of Insurance and Finance. *These are the most popular insurances in our country*, he added, *but in the last two years newer trends have started to appear*. He specified among the insurance lines that recorded a positive trend the property insurance, as well as agricultural insurance against the occurrence of natural disasters. *However, agricultural insurance is in a "more embryonic" period*, Savov added.

DZI Life Insurance was the biggest player on the life insurance market with GWP of EUR 47.3 million, while Euroins Insurance

## Market portfolio at June 30<sup>th</sup>, 2022

BUSINESS LINE	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	917.94	835.79	9.83	356.26	325.93	9.30	100.00	100.00
<b>TOTAL LIFE</b>	163.27	151.50	7.77	67.03	57.19	17.20	17.79	18.13
Life ins. and annuities	61.40	56.67	8.35	40.76	34.76	17.25	6.69	6.78
Unit-linked	56.20	57.70	-2.60	9.49	10.17	-6.66	6.12	6.90
Other life insurance	45.67	37.13	22.99	16.78	12.26	36.87	4.98	4.44
<b>TOTAL NON-LIFE</b>	754.67	684.29	10.28	289.22	268.74	7.62	82.21	81.87
Accidents insurance	17.13	14.15	21.03	3.50	2.99	16.99	1.87	1.69
Health	25.37	22.46	12.94	12.96	10.62	22.05	2.76	2.69
Railway, aircraft and ships	6.26	4.49	39.21	0.59	0.68	-13.29	0.68	0.54
Goods in transit	8.57	5.92	44.77	0.69	1.71	-59.41	0.93	0.71
<b>Overall property insurance</b>	95.32	93.40	2.06	13.56	17.99	-24.65	10.38	11.18
Fire and allied perils	88.19	87.61	0.65	12.81	16.71	-23.36	9.61	10.48
Damages to property	7.14	5.79	23.29	0.75	1.29	-41.32	0.78	0.69
<b>Overall motor insurance</b>	514.97	483.65	6.48	243.23	230.60	5.48	56.10	57.87
Motor Hull	207.19	180.06	15.06	83.42	72.82	14.55	22.57	21.54
MTPL	307.78	303.59	1.38	159.82	157.77	1.29	33.53	36.32
Carriers' liability (air and sea)	0.77	1.51	-48.91	0.01	0.01	-56.52	0.08	0.18
GTPL	13.55	18.03	-24.86	2.09	2.13	-1.96	1.48	2.16
Credit insurance	2.88	1.49	93.42	0.57	-0.08	-791.99	0.31	0.18
Suretyship	22.95	20.82	10.20	1.07	0.28	279.43	2.50	2.49
Financial loss	3.66	3.64	0.57	0.31	0.19	61.89	0.40	0.44
Travel	42.52	14.10	201.55	10.62	1.60	565.42	4.63	1.69
Other non-life insurance	0.73	0.62	17.68	0.02	0.02	-	0.08	0.07

1 EUR = 1.95583 Leva, BGN (fixed)





Vladimir SAVOV  
Deputy Chairman,  
Financial Supervision  
Commission

was the largest insurer on the non-life insurance market with GWP worth EUR 116.4 million.

In terms of profitability, the local insurance market posted an aggregate profit worth BGN 149.3 million (EUR 76.33 million), about 7% more as compared with the first half of 2021 (BGN 139.25 million/EUR 71.2 million).

Life insurers generated a profit worth BGN 23.4 million (EUR 11.96 million) vs. a positive result of BGN 7.25 million (EUR 3.7 million) a year before. Aggregate H1 2022 profits posted by non-life insurers dropped by 4.6% y-o-y to BGN 125.9 million (EUR 64.37 million) from BGN 132 million (EUR 67.5 million).

According FSC statistics, at the end of June 2022, the most profitable life insurers were DZI Life (BGN 31.1 million) and Life Insurance Company Saglasie (BGN 2.14 million), while the largest net losses was reported by UNIQA Life (BGN -16.7 million).

In non-life field, the largest profits were reported by BULSTRAD VIG (BGN 32.8 million) and DZI General Insurance (BGN 25.21 million), the largest loss being reported by UNIQA Insurance (BGN -7.45 million).

At the end of June 2022, the assets of the Bulgarian insurance companies reached EUR 4.7 billion, which is 3.8% less y-o-y, the quarterly insurance sector report of the Bulgarian National Bank shows. The assets of non-life companies decreased by 2.2% to EUR 3.32 billion in the first half of 2022, while assets managed by life insurers saw a decrease of 7.6% to BGN 1.4 billion. The share of the non-life insurers in the total market assets is 70.4%.

Securities other than shares represented 45.4% of all insurance companies' assets as of end-June, while shares and other equity represented 19.0% of insurers' total assets, claims from insurance operations constituted 13.6%. The share of deposits also declined to 7.2%.

(D.G.)

# Bulgaria

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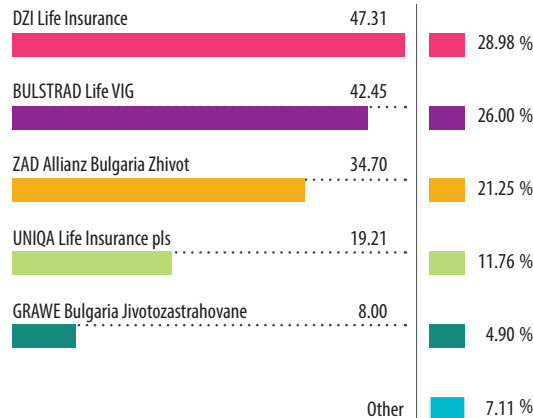
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

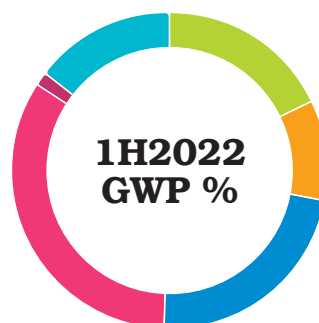
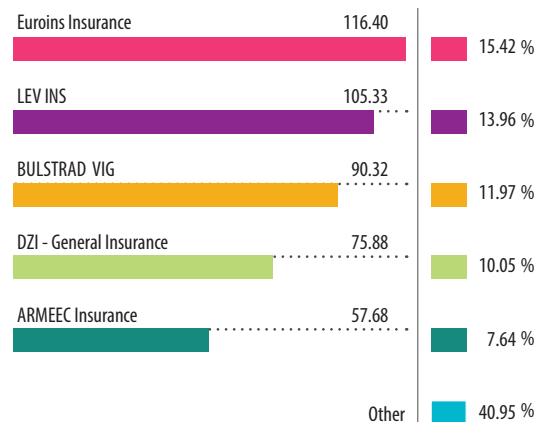
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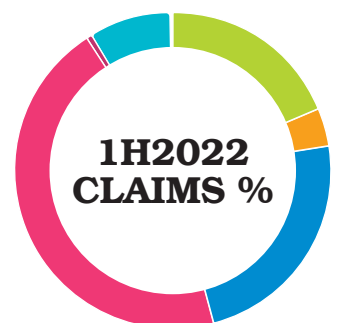
## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	17.79
Property	10.38
Motor Hull	22.57
MTPL	33.53
GTPL	1.48
Other	14.25



Life	18.82
Property	3.81
Motor Hull	23.41
MTPL	44.86
GTPL	0.59
Other	8.52

# Croatia



S&P Rating

**BBB- , STABLE**

Moody's rating

**BAA2, STABLE**

Fitch Rating

**BBB+, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Croatian National Bank

<sup>3</sup> Croatian Insurance Bureau

<sup>4</sup> XPRIMM calculations



☀ Paid claims by for property insurance, in general, decreased by 25% y-o-y and almost 45% for fire insurance, a rather normal change after the year when industry paid compensations for the Zagreb and Petrinja earthquakes

☀ Croatia will adopt Euro as its official currency and legal tender starting January 1st, 2023; the Law on the introduction of the Euro introduces a special dual reporting obligation for financial service providers, including insurers

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	HRK billion <sup>1</sup>	372.36	390.86	412.23	378.35	431.46
	EUR billion <sup>4</sup>	49.56	52.69	55.39	50.20	57.40
<b>GDP per capita, current prices</b>	HRK 1	90,268	95,610	101,409	93,466	106,963
	EUR4	12,014	12,890	13,625	12,401	14,229
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	12.43	9.86	7.76	9.00	8.17
<b>Population</b>	Millions <sup>1</sup>	4.13	4.09	4.07	4.05	4.03
<b>HRK/EUR exchange rate</b>	End of period <sup>2</sup>	7.513648	7.417575	7.44258	7.536898	7.517174
<b>Gross written premiums</b>	HRK million <sup>3</sup>	9,055.86	9,855.63	10,545.10	10,475.07	11,717.45
	EUR million <sup>4</sup>	1,205.26	1,328.69	1,416.86	1,389.84	1,558.76
<b>Paid claims</b>	HRK million <sup>3</sup>	5,113.38	5,552.78	6,011.66	6,530.72	7,297.89
	EUR million <sup>4</sup>	680.55	748.60	807.74	866.50	970.83
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	2.43%	2.52%	2.56%	2.77%	2.72%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	292.18	325.02	348.55	343.34	386.40

The 15 insurance companies operating in the Croatian market by the end of June 2022 have reported GWP worth EUR 915.23 million, 7% up y-o-y. Life insurance sector's weight in total GWP decreased by almost 2.5 percentage points y-o-y, to 22.4%.

On the non-life side, motor insurance accounts for the largest part of GWP (almost 45% of the non-life GWP), of which mandatory MTPL provides for about 30% of the total non-life GWP. Both motor insurance lines maintained their share in the market portfolio and saw a positive trend although new cars registrations in Croatia were down by 9% in the first half of the year.

Property insurance lines recorded also a positive dynamic. Yet, although the "damages to property" line recorded a double-digit growth of almost 20% y-o-y, the fire insurance line advanced much slower, by only 7.7%, in GWP terms.

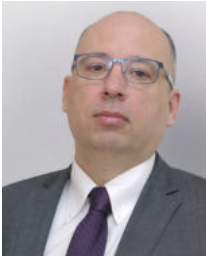
In what claims expenses are concerned, Croatian insurers paid by almost 18% more y-o-y for motor insurance claims, but by 25% less y-o-y for property insurance, in general, and almost 45% less for fire insurance, the class covering NatCat risks. This is a rather normal change considering that 2021 was the year when insurers paid compensations for the damages caused by the earthquakes in Zagreb and Petrinja

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	915.23	855.31	7.01	491.05	472.47	3.93	100.00	100.00
<b>TOTAL LIFE</b>	205.06	211.93	-3.24	208.94	202.36	3.25	22.40	24.78
Life insurance	147.49	178.29	-17.27	179.58	183.31	-2.03	16.12	20.84
Supplementary insurance	7.99	8.24	-3.10	0.85	0.95	-10.21	0.87	0.96
Life insurance and annuities related to investment funds	48.31	24.48	97.35	26.32	15.91	65.44	5.28	2.86
Other life insurance	1.26	0.92	36.90	2.18	2.20	-0.59	0.14	0.11
<b>TOTAL NON-LIFE</b>	710.17	643.37	10.38	282.11	270.11	4.44	77.60	75.22
Accident insurance	36.25	34.07	6.37	6.26	6.08	2.89	3.96	3.98
Health insurance	57.11	52.36	9.08	27.32	23.34	17.06	6.24	6.12
Insurance of vessels	20.63	17.00	21.35	7.72	7.86	-1.79	2.25	1.99
Goods in transit	3.58	2.96	21.07	0.79	0.67	17.94	0.39	0.35
<b>Overall property insurance</b>	170.24	148.89	14.33	51.27	69.23	-25.95	18.60	17.41
Fire and allied perils	69.16	64.21	7.70	23.94	43.13	-44.50	7.56	7.51
Damages to property	101.08	84.68	19.37	27.33	26.10	4.71	11.04	9.90
<b>Overall motor insurance</b>	318.41	295.49	7.75	169.22	143.54	17.90	34.79	34.55
Motor Hull	106.68	95.65	11.53	56.06	50.01	12.10	11.66	11.18
MTPL	211.72	199.84	5.95	113.17	93.53	21.00	23.13	23.36
Liability ins. for the use of vessels	3.39	2.87	17.96	0.41	0.48	-15.13	0.37	0.34
GTPL	42.50	44.29	-4.04	14.49	13.68	5.87	4.64	5.18
Credit insurance	29.07	23.05	26.09	-1.82	-1.60	13.94	3.18	2.70
Financial loss insurance	14.52	11.78	23.18	2.32	2.94	-21.04	1.59	1.38
Travel	10.31	7.59	35.77	3.81	3.09	23.25	1.13	0.89
Other non-life insurance	4.18	3.00	39.12	0.33	0.81	-58.53	0.46	0.35

1 EUR = 7.491244 Kuna - HRK (June 30<sup>th</sup>, 2021)

1 EUR = 7.528090 Kuna - HRK (June 30<sup>th</sup>, 2022)



Hrvoje PAUKOVIĆ  
Director  
Croatian Insurance  
Office

worth HRK 573 million. Overall, considering the files not settled and the losses caused by the quakes on the Motor Hull line, the industry estimates the earthquakes will result in a grand total of paid claims of about EUR 100 million. Without being insignificant, the amount only accounts for 0.5 – 0.6% of the total losses caused by the earthquakes. *It is a huge gap, the so-called 'protection gap'. It is not only a Croatian problem, in developed countries it is around 20 percent to 30 percent, and in our country over 99 percent,* director of the Croatian Insurance Office, Hrvoje Pauković stated in an interview. As progress in terms of risk awareness seems too slow, Croatian insurers believe a good solution may be the adoption of regulations that will specify the obligation of housing insurance in more detail. A draft law to this end already exists, but it seems the legislative process is blocked.

On Friday, May 13, 2022, the Croatian Parliament passed the Law on the introduction of the Euro as the official currency in the Republic of Croatia, which regulates multiple aspects of the introduction of the euro as the official currency. Croatia will fully adopt Euro as its official currency and legal tender starting January 1st, 2023.

According to the Law, a special obligation for dual reporting is prescribed for financial service providers, credit institutions that provide financial services, insurance distributors and persons involved in the distribution of financial instruments in terms of special regulations. The law prescribes in detail what information needs to be dually stated with insurance, including insurance contracts that are concluded or offered in Kuna, in the insurance contract and in the information that is submitted during the duration of the insurance contract, and in the information that is submitted at the time of payment insurance or damage compensation in Kuna.

(D.G.)

## Croatia

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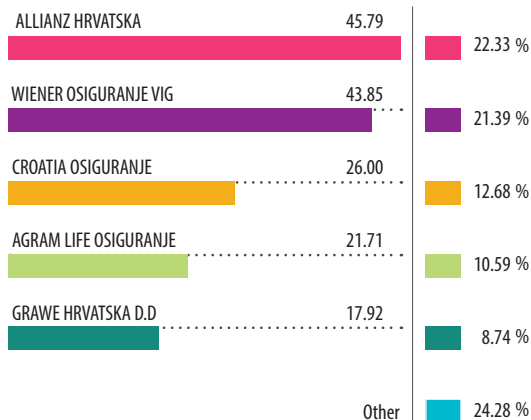
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

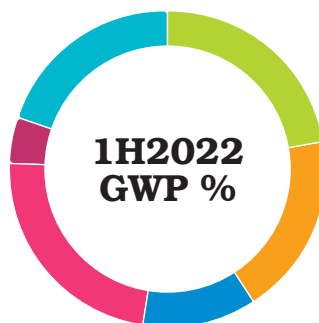
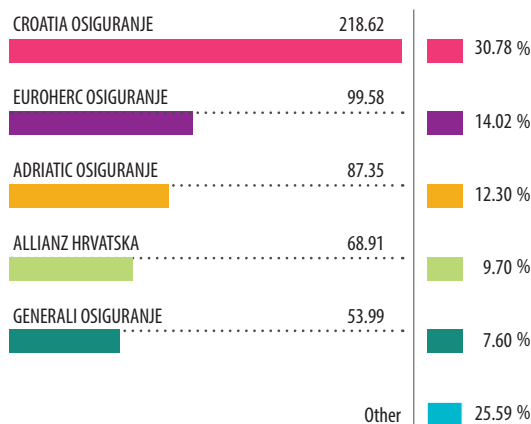
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### TOP 5 Life insurance (GWP, EUR million)



### TOP 5 Non-Life insurance (GWP, EUR million)



Life	22.40
Property	18.60
Motor Hull	11.66
MTPL	23.13
GTPL	4.64
Other	19.56



Life	42.55
Property	10.44
Motor Hull	11.42
MTPL	23.05
GTPL	2.95
Other	9.60

# Czechia



S&P Rating

**AA-, STABLE**

Moody's rating

**AA3, STABLE**

Fitch Rating

**AA-, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Czech National Bank (CNB)

<sup>3</sup> XPRIMM calculations

Both classes of life insurance products that have an investment component (Insurance with profit participation, Index-linked and unit-linked) saw a negative trend

Motor insurance and property insurance have contributed the most, in absolute terms, to the market growth

After the peak in claims paid after the extraordinary occurrence of a strong tornado in Breclavsk and Hodoninsk in 2021, damages caused by storms decreased by 60% y-o-y in the first half of 2022

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	CZK billion <sup>1</sup>	5,110.74	5,409.67	5,790.35	5,694.39	6,127.14
	EUR billion <sup>3</sup>	200.11	210.29	227.88	216.97	246.47
<b>GDP per capita, current prices</b>	CZK <sup>1</sup>	483,111	509,862	543,705	532,487	572,534
	EUR <sup>3</sup>	18,916	19,820	21,397	20,289	23,030
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	2.89	2.24	2.00	2.54	2.82
<b>Population</b>	Millions <sup>1</sup>	10.58	10.61	10.65	10.69	10.70
<b>CZK/EUR exchange rate</b>	End of period <sup>2</sup>	25.540	25.725	25.410	26.245	24.860
<b>Gross written premiums</b>	CZK million <sup>2</sup>	150,836.60	155,610.24	165,927.92	167,976.65	179,608.09
	EUR million <sup>3</sup>	5,905.90	6,048.99	6,530.02	6,400.33	7,224.78
<b>Paid claims</b>	CZK million <sup>2</sup>	96,571.61	92,557.60	101,201.90	91,999.32	101,919.63
	EUR million <sup>3</sup>	3,781.19	3,597.96	3,982.76	3,505.40	4,099.74
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.95%	2.88%	2.87%	2.95%	2.93%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	558.27	570.12	613.15	598.50	675.09

According to data provided by the Czech National Bank (CNB), the insurance market ended 1H2022 with GWP worth EUR 4.094 billion, up by 17.18% y-o-y. The strong upward trend was given by the non-life insurance sector, which not only dominated the portfolio (72.7% of total GWP), but also saw an almost 23% y-o-y increase in premiums.

For the same period, statistical information released by the Czech Insurance Association – CAP shows the aggregate GWP of member companies reached the value of EUR 3.2 billion, up by 7.8% y-o-y. One should consider that rather significant

difference between the data in the Czech Insurers Association reports and those provided by CNB is caused by the different cluster of reporting companies considered. The CNB data include information on all Czech insurers, branches of insurers from other EU or EEA member states and branches of insurers from other countries in Czechia as of the given date. Also included are data on the branches of these insurers operating abroad.

Life insurance recorded a lower-than-average growth pace, GWP increasing by 4.34% y-o-y, to EUR 1.13 billion. Both classes of life insurance products that have

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS*			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	4,094.33	3,494.01	17.18	2,401.32	1,962.23	22.38	100.00	100.00
<b>TOTAL LIFE**</b>	1,116.59	1,070.14	4.34	975.75	801.21	21.78	27.27	30.63
Insurance with profit participation	294.23	331.40	-11.22	522.26	384.65	35.77	7.19	9.48
Index-linked and unit-linked	350.80	366.43	-4.26	306.71	291.04	5.38	8.57	10.49
Other	471.56	372.31	26.66	146.77	125.51	16.94	11.52	10.66
<b>TOTAL NON-LIFE***</b>	2,977.75	2,423.88	22.85	1,425.57	1,161.02	22.79	72.73	69.37
<b>Overall motor insurance</b>	1,305.52	1,090.87	19.68	655.32	543.32	20.61	31.89	31.22
Motor Hull	635.56	500.12	27.08	321.12	272.27	17.94	15.52	14.31
MTPL	669.97	590.75	13.41	334.20	271.05	23.30	16.36	16.91
Marine, aviation and transport insurance	26.57	19.83	34.02	5.56	6.46	-13.86	0.65	0.57
Overall property insurance	731.82	566.52	29.18	299.48	335.35	-10.70	17.87	16.21
General liability insurance	246.32	222.59	10.66	105.05	84.36	24.53	6.02	6.37
Credit and suretyship	45.18	38.42	17.58	77.92	1.81	4,216.61	1.10	1.10
Legal expenses	14.25	12.05	18.24	3.13	2.75	13.97	0.35	0.34
Assistance insurance	45.08	27.14	66.09	10.65	3.15	238.50	1.10	0.78
Financial loss	56.26	38.15	47.47	36.84	20.95	75.86	1.37	1.09
Other	506.74	408.29	24.11	231.62	162.88	42.20	12.38	11.69

The CNB figures include information on all Czech insurers, branches of insurers from other EU or EEA member states and branches of insurers from other countries in the Czech Republic as of the given date. Also included are data on the branches of these insurers operating abroad.

\*Gross claims paid incl. change in balance of technical provisions

\*\*Life and health insurance, incl. reinsurance, total

\*\*\*Total non-life insurance (incl. reinsurance accepted)

1 EUR = 25.485 Kron - CZK (June 30<sup>th</sup>, 2021)

1 EUR = 24.740 Kron - CZK (June 30<sup>th</sup>, 2022)



an investment component (Insurance with profit participation, Index-linked and unit-linked) saw a negative trend.

On the non-life side all classes recorded double-digit positive growth rates. Overall, GWP for non-life insurance went up by 22.85% y-o-y, to EUR 2.98 billion. Motor insurance and property insurance have contributed the most, in absolute terms, to the market growth. The positive trend in motor insurance was supported by the ever-increasing portfolio of insured vehicles, the number of which increased by a further 1.6% y-o-y and a total of 8,811,000 of them are insured. The number of vehicles with accident insurance is also growing, currently by 4%.

On the claims side, insurers' expenses with compensations went up by 22.4%, to EUR 2.4 billion. While claims paid for motor insurance increased by 20.6%, against the inflationary context, damages caused by storms decreased by 60% in 1H2022 as compared with the previous year, paid claims totaling CZK 1.2 billion for a total of about 41,000 claims. It is worth noting that 2021 was the year of peak in paid claims terms because of the extraordinary occurrence of a strong tornado in Breclavsk and Hodoninsk.

Paid claims for fire damages in Czechia throughout the first half of the year amounted to about CZK 1.4 billion (EUR 56.8 million), while damages from storms reached approx. CZK 1.2 billion (EUR 48.7 million), the Czech Association of Insurers (CAP) said. Fires hold a dominant share in the property damage caused by natural elements and human activity and, despite they are not causing the largest number of claims (2.7 thousand in 1H2022), the high value of the average claim, of over 500,000 CZK (EUR 20,284) leads to the highest value of claims expenses among the property risks.

Among the other most significant risks with insurance benefits exceeding CZK 500 million were damage from hail and water damage with amounts of 616, respectively 574 million CZK. From the remaining property insurance events, insurance companies will reimburse their clients a total of almost CZK 2.4 billion.

Total damages from property insurance exceeded the value of CZK 6.2 billion (EUR 251.5 million) in the first half of the year, which also corresponds to 139 thousand resolved insurance events.

(D.G.)

# Czechia

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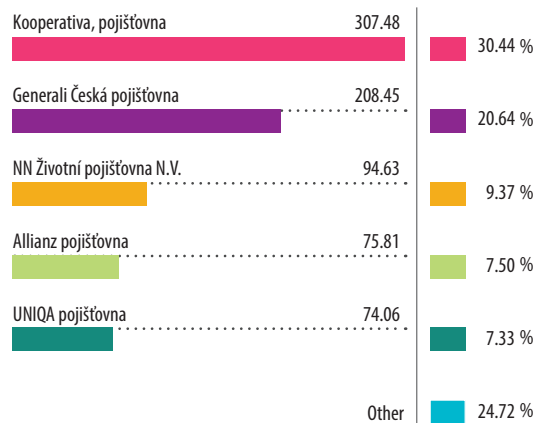
Full market rankings per company & per class

MSExcel format \* in EUR and local currency

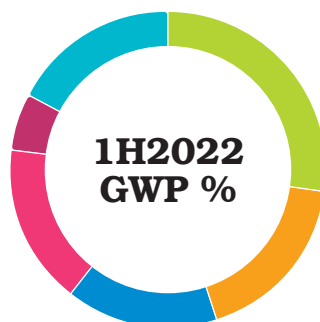
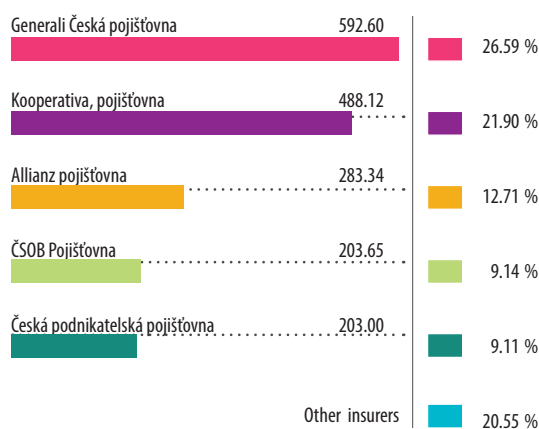
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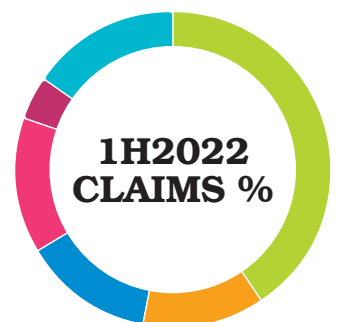
## Top 5 Life insurance (GWP, EUR m)



## Top 5 Non-life insurance (GWP, EUR m)



Life	27.27
Property	17.87
Motor Hull	15.52
MTPL	16.36
GTPL	6.02
Other	16.95



Life	40.63
Property	12.47
Motor Hull	13.37
MTPL	13.92
GTPL	4.37
Other	15.23

# RENOMIA EUROPEAN PARTNERS Conference

Prague, 21 June 2022



Jiřina NEPALOVÁ  
Founder and CEO, RENOMIA

The 2022 edition of the RENOMIA EUROPEAN PARTNERS annual conference took place on June 21 in Prague, under the titles "Growing together". Over 150 professionals from the RENOMIA group and the RENOMIA EUROPEAN PARTNERS (REP) platform from 26 countries of Central and South-Eastern Europe and the Caucasus participated in the conference, along with over 30 speakers and representatives of leading re/insurers in the global specialty market. As every year, the 2022 edition of the REP conference offered a particularly suitable environment for the exchange of professional information, but also for networking in an interesting, elegant and friendly context.

*The main purpose of the annual REP meeting is to get to know each other better. I trust that, in the end, this is for the direct benefit of our customers,* said RENOMIA founder Jiřina NEPALOVÁ.

Some of the most important current topics in the insurance industry were discussed. Thus, Katarzyna POREMBA, Head of Country Management Corporate Business, Vienna Insurance Group brought up the issue of ESG, while Martin ROTKOVSKÝ, Chief Corporate and Affinity Officer and Bernhard NIGL, Head of International Business Development, UNIQA addressed topics in the field of digitization.

*We, at RENOMIA, are first and foremost consultants. This is the most important explanation for our 50% growth in the last 3 years. We set out and believe that we will continue this pace of growth in the coming years as well. This is the*



challenge which I am launching to my colleagues present here, said Pavel NEPALA, Managing Partner, RENOMIA, at the opening of the conference. Detailed analyzes of the ECE re/insurance markets and RENOMIA's position in the context of these markets were provided by Klára KODUA, International Operations Director, Alžbeta GYULAFFYOVÁ, REP Director, Michael DUBSKÝ, Client Services Director & CBO, Yevgeniy TATUSOV, Placement Leader CEE & CIS and Dan UNGUREANU, Business Development Leader CEE & CIS (RENOMIA).



Pavel NEPALA, Managing Partner  
RENOMIA

Extending the approach to the mature markets of Western Europe and the USA, John DURKIN, Vice President, GLOBAL ALLIANCES – GALLAGHER, one of the important shareholders of RENOMIA, spoke about the current trends in these markets. *The specificity of the GALLAGHER network is its hybrid structure. It combines the advantages of classic proprietary networks (like MARSH, AON, WILLIS etc.) with those of the "plug & play" type (like WBN, ASSUREX etc.). Maybe that's why our marketing it's less about image and more about making unique selling propositions to each customer.*

Parallel discussion sessions were dedicated to aviation insurance, alternative energy, construction or M&A operations, etc. In addition to all this, the medieval buildings of the Czech capital offered the participants the framework for pleasant socializing moments.

Speaking about the importance of the REP 2022 event in Prague and what added value it brings to the Romanian company of the group, Gheorghe GRAD, Country Manager, Renomia SRBA, declared exclusively for XPRIMM Publications: *Our participation in the 2022 edition is absolutely natural. We are here because REP 2022 is a real opportunity to identify the most important and modern insurance solutions of the moment. They are offered by our top partners from the entire region, with special benefits brought both to CEE and CIS customers present in our country, and to Romanian companies that have operations in the region. I add here the desire to constantly adapt our special risk placement capacity in areas such as infrastructure, trade credit, cargo, M&A and many others. For Romania, for our clients and prospects, we have a very specific goal, that of not leaving any of their requests unsolved by us, be it insurance or reinsurance.*

Daniela GHETU



Romanian RENOMIA's subsidiary team

# Estonia



S&P Rating  
**AA-, STABLE**

Moody's rating  
**A1, STABLE**

Fitch Rating  
**AA-, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> The Estonian National Statistics Board

<sup>3</sup> XPRIMM calculations



## Market's main indicators - timeline

		2017	2018	2019	2020	2021
GDP, current prices	EUR billion <sup>1</sup>	23.83	25.82	27.73	26.84	30.66
GDP per capita, current prices	EUR <sup>1</sup>	18,092	19,530	20,901	20,184	23,052
Unemployment rate	% of total labor force <sup>1</sup>	5.76	5.37	4.45	6.81	6.18
Population	Millions <sup>1</sup>	1.32	1.32	1.33	1.33	1.33
Gross written premiums	EUR million <sup>2</sup>	427.23	552.15	493.83	468.86	486.39
Paid claims	EUR million <sup>2</sup>	239.60	261.97	279.10	276.76	355.46
Insurance penetration degree	% in GDP <sup>3</sup>	1.79%	2.14%	1.78%	1.75%	1.59%
Insurance density	EUR/capita <sup>3</sup>	324.40	417.66	372.14	352.79	365.70

Estonian insurers reported H1 GWP worth EUR 269.3 million, 11.5% more compared with January-June 2021, according to the market figures published by the Estonian National Statistics Board.

Life segment was down by 4.5% to EUR 38.9 million (14.4% of total GWP), while the GWP of non-life insurers totaled EUR 230.4 million, 14.8% more y-o-y.

At the same time, paid claims by insurers increased by more than 35% y-o-y to EUR 202.8 million, one of the largest rates in percentage points and absolute values

being posted by the two motor classes: MTPL and MoD.

According to the statistics of the Estonian Traffic Insurance Fund (LKF), there have been 14,800 traffic insurance cases with a total loss of EUR 30 million in Estonia in five months this year. This is the highest number of accidents ever during this period.

*At the beginning of the year, growth of traffic accidents was affected by snowy and icy winter, but there were also more accidents in the spring months than in previous years,*

Double-digit increase for the market consolidated GWP

LKF: 14,800 insurance cases with a total loss of EUR 30 million in 5M

The employer's health insurance has more than doubled in 1H

The largest life insurer remained SWEDBANK Life Insurance SE (47.8% market share), while If P&C Insurance AS (19.4%) lead the general insurance segment

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	269.34	241.45	11.55	202.77	149.75	35.41	100.00	100.00
<b>TOTAL LIFE</b>	38.90	40.74	-4.51	58.56	35.50	64.96	14.44	16.87
Term and whole life assurance	10.03	9.45	6.09	1.29	1.60	-19.62	3.72	3.91
Endowment insurance	4.03	4.47	-9.89	7.40	8.40	-11.84	1.49	1.85
Pension insurance	3.02	5.25	-42.59	16.20	9.27	74.67	1.12	2.18
Unit linked life insurance	15.38	16.50	-6.77	31.59	15.07	109.64	5.71	6.83
Supplementary insurance	6.45	5.07	27.30	2.08	1.15	80.07	2.40	2.10
Other life insurance	-	0.00	-100.00	0.01	0.00	83.33	-	0.00
<b>TOTAL NON-LIFE</b>	230.44	200.71	14.81	144.20	114.24	26.22	85.56	83.13
Accident	5.04	4.19	20.45	1.23	0.87	41.27	1.87	1.73
Sickness	8.39	3.65	129.59	5.29	1.61	227.73	3.11	1.51
<b>Overall property insurance</b>	63.18	55.40	14.05	30.58	28.84	6.04	23.46	22.94
<b>Overall motor insurance</b>	122.21	106.08	15.21	87.11	70.88	22.90	45.37	43.93
Motor Hull	72.25	61.85	16.81	51.44	41.63	23.57	26.82	25.62
MTPL	49.96	44.23	12.97	35.67	29.25	21.96	18.55	18.32
GTPL	8.51	8.22	3.54	2.68	3.59	-25.20	3.16	3.40
Other vehicles insurance	0.97	5.62	-82.78	6.36	2.83	125.06	0.36	2.33
Goods in transit insurance	1.25	1.05	18.91	0.24	0.33	-25.22	0.46	0.44
Vehicles liability insurance	1.70	1.65	2.92	0.47	0.90	-47.39	0.63	0.68
Travel insurance	11.14	4.96	124.77	7.79	1.83	324.95	4.14	2.05
Insurance for pecuniary loss	8.05	9.89	-18.65	2.45	2.58	-4.93	2.99	4.10

Estonian currency: EURO





Andres PIIRSALU  
Board member of  
EKSL

said Ulli REIMETS, the head of LKF's loss prevention division.

REIMETS emphasized that the number of road users would increase during the summer months. *Compared to the rest of the year, collisions during passing, road trips, injuries to cyclists and accidents during parking are more common in the summer months. Most traffic accidents occur on weekdays between 12 pm and 1 pm and from 4 pm to 6 pm, and on weekends from 12 noon to 3 pm, he explained.*

In terms of GWP, except the Travel insurance which had a lot to recover after the pandemic, the most dynamic insurance class – which recorded the largest GWP increase rate – were the two classes where health policies are included: supplementary insurance (on life segment) and sickness (on non-life side).

The Association of Estonian Insurance Companies (EKSL) and Turu-uuringute AS conducted a survey, according to which 46% of the population would like to join the employer's additional health insurance, mostly 31-40 year old people and non-Estonians, at the same time a quarter of the population has never heard of such insurance, EKSL said.

According to the Association, in the first half of this year, 1,470 employers purchased voluntary health insurance, insuring a total of 46,260 employees (vs 510 and 20,400 accordingly last year). Thus, the employer's health insurance has more than doubled in a year.

*Nearly a tenth of all the employees have this health insurance in addition to the national health insurance. The demand for it keeps growing and it has become an integral part of the employee welfare package among employers recruiting top specialists, said Andres PIIRSALU, a board member of EKSL.*

In 1H2022, the employer's health insurance reached EUR 10.5 million, while in the same period last year it was only EUR 4.2 million. Paid claims totaled EUR 6 million during the period.

(A.V.)

## Estonia

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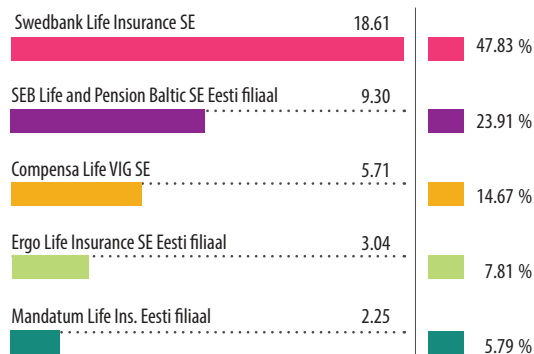
Full market rankings per company & per class

MSEcel format

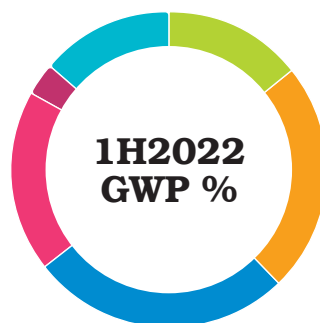
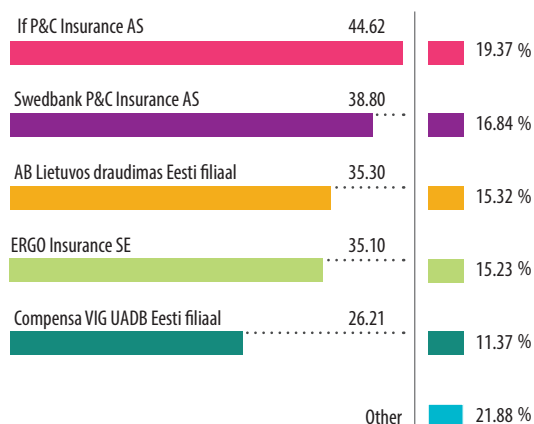
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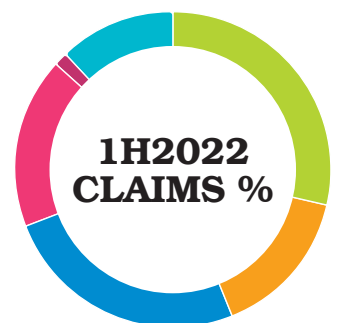
### TOP 5 Life insurance ranking (GWP, EUR million)



### TOP 5 Non-Life insurance (GWP, EUR million)



Life	14.44
Property	23.46
Motor Hull	26.82
MTPL	18.55
GTPL	3.16
Other	13.57



Life	28.88
Property	15.08
Motor Hull	25.37
MTPL	17.59
GTPL	1.32
Other	11.75

# Hungary



S&P Rating

**BBB, STABLE**

Moody's rating

**BAA2, POSITIVE**

Fitch Rating

**BBB, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> National Bank of Hungary

<sup>3</sup> XPRIMM calculation

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	HUF billion <sup>1</sup>	39,281.36	43,392.44	47,530.61	47,988.48	55,045.99
	EUR billion <sup>3</sup>	126.66	134.96	143.81	131.43	149.18
<b>GDP per capita, current prices</b>	HUF <sup>1</sup>	4,009,120	4,437,762	4,863,462	4,912,058	5,656,899
	EUR <sup>3</sup>	12,927	13,803	14,715	13,453	15,330
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.04	3.60	3.31	4.12	4.07
<b>Population</b>	Millions <sup>1</sup>	9.80	9.78	9.77	9.77	9.73
<b>HUF/EUR exchange rate</b>	End of period <sup>2</sup>	310.14	321.51	330.52	365.13	369.00
<b>Gross written premiums</b>	HUF million <sup>2</sup>	956,005.51	1,024,185.22	1,150,395.47	1,204,156.93	1,329,594.37
	EUR million <sup>3</sup>	3,082.50	3,185.55	3,480.56	3,297.89	3,603.24
<b>Paid claims</b>	HUF million <sup>2</sup>	591,668.09	591,418.94	678,504.20	655,990.91	702,981.04
	EUR million <sup>3</sup>	1,907.75	1,839.50	2,052.84	1,796.60	1,905.10
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.43%	2.36%	2.42%	2.51%	2.42%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	314.60	325.79	356.14	337.55	370.28

Hungarian insurers' H1 2022 GWP rose by 14.81% y-o-y to HUF 785.43 billion (EUR 1.98 billion), according to the quarterly statistics published by the National Bank of Hungary (MNB).

Life insurance segment was up by 15.74% y-o-y to HUF 354.88 billion (EUR 895 million), while non-life GWP rose 14% to HUF 430.55 billion (EUR 1.7 billion). About 45% of premium income originated from the life insurance business and 55% from the non-life insurance business.

In terms of claims, total incurred claims (payments and change of reserves summed-up) increased by 20.96% y-o-y to HUF 413.61 billion. Life incurred claims was up by 17% y-o-y, while the same indicator in non-life totaled HUF 161.24 billion, 27.73% more y-o-y.

At the end of June, the total number of policies rose by 2.6% from its level a year

earlier (+377,185 contracts) to 14,873,655. This mainly resulted from a 3.32% rise in the number of non-life insurance contracts (to 12,564,558), while the number of life insurance contracts declined by 1.11% to 2,309,097.

The technical result (life and non-life, summed-up) decreased by 45.71% y-o-y to HUF 25.71 billion vs. HUF 47.35 billion a year before, of which HUF 12.29 billion - life insurance, and HUF 13.42 billion - non-life.

MNB H1 statistics show that at the end of June 2022 the aggregate market gross profit of Hungarian insurers was down by 49.58% y-o-y to HUF 27.96 billion the equivalent of EUR 70.46 million (vs. HUF 55.45 billion). At the same time, the value of net profit decreased by 48.28% y-o-y to HUF 26.59 billion (EUR 67 million).

At the end of 2022 Q2, the number of insurance companies subject to the

Market profit halved to EUR 67 million

Ex-Aegon units continues their activity under a new name: Alfa VIG

MABISZ elected Mihaly Erdos, CEO of Generali Biztosito, as new President

High confidence in insurance companies and satisfaction with insurance services

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	1,979.66	1,944.09	1.83	1,042.50	971.67	7.29	100.00	100.00
<b>TOTAL LIFE</b>	894.46	871.34	2.65	636.11	612.97	3.78	45.18	44.82
Unit-linked or index-linked	366.34	375.80	-2.52	295.19	306.15	-3.58	18.51	19.33
Other life insurance	528.12	495.54	6.57	340.92	306.81	11.12	26.68	25.49
<b>TOTAL NON-LIFE</b>	1,085.20	1,072.75	1.16	406.39	358.70	13.29	54.82	55.18
<b>Overall property insurance</b>	372.06	360.10	3.32	125.25	99.81	25.49	18.79	18.52
<b>Overall motor insurance</b>	548.93	562.43	-2.40	239.04	224.95	6.26	27.73	28.93
Motor Hull	173.06	170.72	1.37	99.85	83.45	19.66	8.74	8.78
MTPL	375.87	391.71	-4.04	139.19	141.50	-1.64	18.99	20.15
General liability	27.42	28.17	-2.67	10.52	7.47	40.73	1.38	1.45
Other	136.79	122.06	12.07	31.59	26.47	19.32	6.91	6.28

1 EUR = 351.90 Forints - HUF (June 30<sup>th</sup>, 2021)

1 EUR = 396.75 Forints - HUF (June 30<sup>th</sup>, 2022)



Mihaly ERDOS  
CEO of Generali  
Biztosító

Solvency II remained unchanged relative to the previous period, the number of supervised institutions was 22: 4 specialized life insurers, 9 non-life, and 9 composite insurers.

Based on the residence of owners of insurance companies, foreign ownership accounted for 75% in life insurers and 100% in composite insurers in 2022 Q2. This ratio for non-life insurance companies was only 56%.

At the end of 2022 Q2, assets (investments) linked to insurance contracts managed by insurance companies fell by 3.6% relative to the previous quarter. Three assets continue to be dominant in contracts managed by insurance companies: government bonds (43.3%), collective investment undertakings (37.8%), and unseen in recent years, instead of equities, cash and deposits (9.4%), broadly the same as in 2022 Q1 (44.8%, 38% and 7.6%, respectively).

#### Confidence in insurance companies is still high

According to the Association of Hungarian Insurers (MABISZ), nearly three-quarters of the Hungarian population has home insurance, two-thirds have compulsory motor vehicle liability insurance, while 48% have life insurance. The proportion of those with pension insurance remained unchanged at 23.1%, and 15.4% invested in accumulative life insurance. At the same time, the majority of the population is satisfied with the services provided by insurers and continues to trust them, according to this year's Insurance Trust Index (BIBIX) survey.

# Hungary

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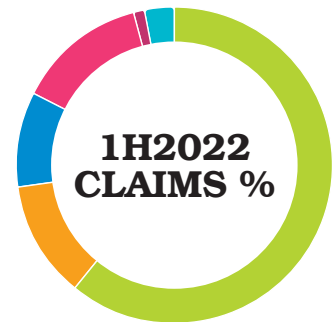
**GWP & claims portfolio per class**

MSEcel format \* in EUR and local currency

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Life	45.18
Property	18.79
Motor Hull	8.74
MTPL	18.99
GTPL	1.38
Other	6.91



Life	61.02
Property	12.01
Motor Hull	9.58
MTPL	13.35
GTPL	1.01
Other	3.03

Confidence in insurance companies is still high, 53.4 points on the 100-point scale. The value of the index measuring satisfaction with insurance companies is almost unchanged, 80.8 points on a scale from 0 to 100, which still reflects a high level of satisfaction among the insured.

In terms of types of insurance, customers are most satisfied with accident insurance, life insurance and health insurance. Insurance experience of those with pension insurance has mostly improved compared to 2021. Speaking about trust in individual types of institutions, insurance companies continue to be judged similarly to banks.

#### MABISZ elected Mihaly Erdos as President

At the beginning of this summer season, the Board of MABISZ - the Association of Hungarian Insurers - announced in a statement the election of a new President and a new Vice President, after Anett Pandurics resigned from the Association's Presidency for family reasons.

Thus, the MABIS Board elected Mihaly Erdos - the current Vice President of the Association and CEO of Generali Biztosito as new President. At the same time, Julianna Dinsdale, CEO of Uniqa was named as the new Vice President.

(A.V)



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# Kosovo



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Kosovo Agency of Statistics (KAS)

<sup>3</sup> Central Bank of the Republic Kosovo

<sup>4</sup> XPRIMM calculations

Half-year insurers' profits increased by EUR 1 million to EUR 2.5 million.

12 insurers were active on the local market, of which seven foreign owned

CBK in cooperation with the World Bank are taking final steps to liberalize the MTPL market

Kosovo is ready for CoB membership

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
GDP, current prices	EUR billion <sup>1</sup>	6.36	6.67	7.06	6.77	7.64
GDP per capita, current prices	EUR <sup>4</sup>	3,534	3,715	3,959	3,784	4,251
Unemployment rate	% of total labor force <sup>1</sup>	30.48	29.50	25.65	25.95	25.80
Population	Millions <sup>2</sup>	1.80	1.80	1.78	1.79	1.80
Gross written premiums (non-life)	EUR million <sup>3</sup>	87.42	93.50	101.50	101.52	119.23
Paid claims (non-life)	EUR million <sup>3</sup>	46.00	42.80	55.10	51.50	61.00
Insurance penetration degree	% in GDP <sup>4</sup>	1.38%	1.40%	1.44%	1.50%	1.56%
Insurance density	EUR/capita <sup>4</sup>	48.59	52.06	56.96	56.75	66.35

Kosovo's active 12 insurers reported an aggregate net profit of EUR 2.5 million at the end of June 2022 vs. EUR 1.5 million a year before, according to data provided by the Central Bank (CBK). At the same time, the total insurers' assets increased to EUR 253.6 million, from EUR 230 million a year earlier.

In terms of GWP, the local insurance market totaled EUR 61.5 million in H1 2022 vs. EUR 55.3 million during January-June 2021, of which life insurance EUR 3.4 million (according to the "Financial System - Monthly Information" released on CBK website), while non-life segment GWP increased by 9.5% y-o-y to EUR 58.1 million - according to "The Insurance Companies Activity" published by CBK.

At the same time, non-life gross claims paid increased by 6.33% y-o-y to EUR 27.76 million, due to increases reported by other Voluntary non-TPL insurance (+30.61%).

In the analyzed period, the total number of non-life policies sold by local insurers

was 515.3 k (vs. 444.2 k), of which about 238 k were Mandatory TPL contracts, 124 k were border policies, and 153 k were other voluntary non-life insurances.

12 insurance institutions were active on the local market, of which 10 were non-life insurers and 2 companies were active only in the life segment. According to CBK, seven insurers are foreign-owned and are holding about 51.6% of total assets. Some of them are subsidiaries of well-known European insurance entities like GRAWE, UNIQA Group Austria, VIENNA Insurance Group or Slovenian SAVA Re Group.

At the end of June 2022, the number of insurance offices was 491 (vs. 480 in June 2021). By comparison, 11 commercial banks of which 9 foreign owned with 3,635 employees were active on the Kosovo financial market with 199 offices, 30 microfinance institutions (11 foreign owned) vs. 20 a year before - with 148 offices (1,335 employees) and 2 pension funds (31 employees).

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	61.48	55.26	11.25	27.76	26.11	6.33	100.00	100.00
<b>TOTAL LIFE*</b>	3.40	2.20	54.55	na	na	-	5.53	3.98
<b>TOTAL NON-LIFE**</b>	58.08	53.06	9.46	27.76	26.11	6.33	94.47	96.02
MTPL	33.40	31.85	4.86	16.35	17.37	-5.88	54.33	57.64
Third Party Liability	30.75	29.10	5.70	14.97	15.19	-1.44	50.02	52.65
Border policies	2.65	2.76	-3.95	1.38	2.18	-36.79	4.31	4.99
Other (non TPL)	24.67	21.21	16.35	11.41	8.74	30.61	40.13	38.37

\*Life premiums and total paid claims are according to "Financial System - Monthly Information" published by CBK

\*\*Non-life GWP & claims portfolio are according to "Insurance Companies Activity" published by CBK

Kosovo currency: EURO





Fehmi MEHMETI  
Governor of the  
Central Bank of the  
Republic of Kosovo

According to the local market regulator, the insurance sector in Kosovo, since the beginning of its activity, has faced problems, unsatisfactory performance, as well as non-compliance with regulatory requirements provided by applicable law to some insurers.

Among other things, such a situation is influenced by several factors such as the application of gross tax on written premium or turnover tax of 5%, the liability of the insurance sector for contribution to the Red Cross with 1% of gross premiums, as well as damages caused by uninsured vehicles circulating in the territory of the Republic of Kosovo

*While the issue of turnover tax and Red Cross contribution has been addressed, uninsured vehicles continue to be a concern for the insurance sector.*

Given the stagnation of this sector, in recent years, the CBK has undertaken a series of measures and reforms for the insurance sector to ensure compliance with the applicable legal framework.

For this purpose, in recent years, the CBK has taken dozens of administrative measures against insurers, including the revocation of two licenses. As a result of these measures taken, over the last three

# Kosovo



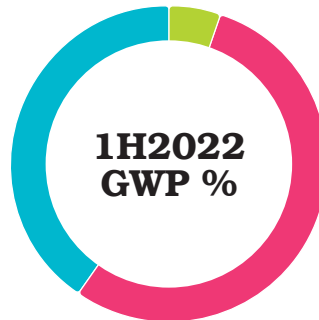
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**GWP & claims portfolio per class**

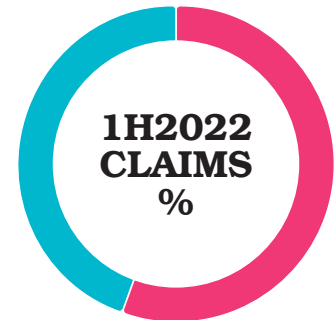
MSEcel format

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Life	5.53
MTPL	54.33
Other (non TPL)	40.13



MTPL	58.90
Other (non TPL)	41.10

years the shareholders of some of the insurers have injected capital worth over EUR 16 million.

*Given the fact that the insurance sector in Kosovo is fully capitalized and in accordance with applicable legal requirements, the CBK in cooperation with the World Bank are taking final steps to liberalize the auto liability product market.*

More than that, this summer, Governor of the Central Bank of the Republic of Kosovo, Fehmi MEHMETI, accompanied by Sami MAZREKU, Director of the Kosovo Insurance Bureau, had a meeting with the officials of the Council of Bureaux in

Brussels, the managing organization of the Green Card Insurance System.

During the meeting with Greet FLORE, the CoB Managing Director, Kosovo representatives informed her about the preparations have undertaken so far in terms of requirements related to the CoB membership process, as well as the readiness to take other steps in this perspective. *Kosovo has significantly reduced the number of unregistered vehicles and continues to implement Memorandums of Cooperation signed with the countries of the region.*

(A.V.)

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# Latvia



S&P Rating

**A+, STABLE**

Moody's rating

**A3, STABLE**

Fitch rating

**A-, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> The Financial and Capital Market Commission of Latvia - FKTK (local and EU branches, added-up)

<sup>3</sup> XPRIMM calculations

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	26.98	29.15	30.65	29.46	32.92
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	13,837	15,071	15,962	15,441	17,390
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	8.72	7.42	6.31	8.10	7.56
<b>Population</b>	Millions <sup>1</sup>	1.95	1.93	1.92	1.91	1.89
<b>Gross written premiums</b>	EUR million <sup>2</sup>	646.03	755.76	856.73	797.47	849.41
<b>Paid claims</b>	EUR million <sup>2</sup>	361.61	405.76	549.42	501.07	541.36
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.39%	2.59%	2.80%	2.71%	2.58%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	331.30	390.78	446.21	417.96	448.71

Latvian insurers' January-June 2022 aggregate GWP (local and EU branches, summed-up) expanded by more than 20% to almost EUR 490 million, while the amount paid claims and indemnities increased by 29% y-o-y to EUR 321.5 million, according to the half-year figures published by The Financial and Capital Market Commission of Latvia (FKTK).

Of total GWP, branches of EU insurers generated 37.5% - EUR 183.5 million, or 21.5% more y-o-y, the remaining EUR 306 million (+~20% y-o-y) being generated by the local insurers. According to FKTK half-year report, at the end of June 2022, there were 4 non-life insurance companies and 2 life insurance companies operating in Latvia, as well as 12 branches of foreign insurers (7 non-life and 5 life units).

In terms of GWP, the largest life insurer in the country is SEB Life and Pension Baltic

SE (GWP of EUR 44.4 million, 36.6% market share), while BTA Baltic Insurance Company led the non-life ranking with GWP worth EUR 132.3 million or 35.9% market share.

According to the presented figures, end-June 2022 insurers' aggregate net profits more than halved from EUR 18.06 million to EUR 8.16 million. It is worth mention, the presented figures include only the profits reported by the six local insurers (4 non-life and the two life insurers), being not considered the profits realized by the other 12 EU branches active on local market.

Per business lines, the two local life insurance companies (SEB Life and Pension Baltic SE and CBL Life) posted aggregate net loss worth EUR -4,234 (vs. profit worth EUR 8.72 million a year before), while the profits reported by the four local general insurers decreased to EUR 8.16 million vs. EUR 9.34 million in June 2021.

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	489.57	406.70	20.38	321.50	249.54	28.84	100.00	100.00
<b>TOTAL LIFE</b>	121.13	110.32	9.80	107.26	73.22	46.48	24.74	27.13
Life insurance with savings	8.03	10.38	-22.64	18.86	15.54	21.39	1.64	2.55
Unit-linked	49.79	49.84	-0.11	52.83	34.41	53.53	10.17	12.26
Other life insurance	63.32	50.09	26.39	35.57	23.28	52.81	12.93	12.32
<b>TOTAL NON-LIFE</b>	368.44	296.38	24.31	214.24	176.32	21.51	75.26	72.87
Accidents insurance	8.61	7.63	12.84	3.45	2.70	27.76	1.76	1.88
Health insurance	66.07	52.95	24.77	39.65	28.76	37.87	13.50	13.02
<b>Overall property insurance</b>	61.38	51.49	19.21	36.96	32.55	13.54	12.54	12.66
<b>Overall motor insurance</b>	133.98	108.08	23.96	86.49	69.55	24.36	27.37	26.58
Motor hull	84.36	68.86	22.50	56.03	43.31	29.38	17.23	16.93
MTPL	49.63	39.22	26.52	30.45	26.23	16.09	10.14	9.64
Transport ownership liability ins.	58.54	43.84	33.52	35.51	33.89	4.77	11.96	10.78
GTPL	15.25	13.99	9.02	3.62	3.32	8.84	3.11	3.44
Suretyship insurance	8.10	7.89	2.66	0.83	0.86	-3.55	1.65	1.94
Assistance insurance	10.77	5.31	102.76	4.17	1.56	167.42	2.20	1.31
Other non-life insurance	5.74	5.20	10.38	3.56	3.13	13.83	1.17	1.28
Of total market:								
<b>By local insurers, of which:</b>	306.11	255.65	19.74	202.41	156.97	28.95	62.53	62.86
Life	53.10	55.61	-4.50	62.96	40.38	55.93	10.85	13.67
Non-life	253.01	200.04	26.48	139.44	116.59	19.60	51.68	49.19
<b>By branches of EU insurers</b>	183.46	151.06	21.45	119.09	92.58	28.64	37.47	37.14
Life	68.03	54.71	24.34	44.30	32.84	34.87	13.90	13.45
Non-life	115.43	96.34	19.81	74.80	59.73	25.22	23.58	23.69

Latvian currency: EURO

🌸 Insurers' profits more than halved y-o-y to EUR 8.16 million

🌸 The war in Ukraine has forced 24% of Latvians to think about savings for the future

🌸 Insurers received three times more travel insurance claims y-o-y



Janis ABASINS  
President  
LAA

The war in Ukraine has made many Latvians think about their own and their family's financial safety and take measures to improve it - a quarter or 24% of Latvians have started to create savings, insure their lives or take legal action to settle their liabilities, according to the Latvian Insurers' Association (LAA) and the sociological research agency Norstat.

*Worries about the future are often on the agenda of people after critical and difficult situations as the war in Ukraine, but before that the Covid-19 pandemic obviously forced many Latvians to stop and realize that tomorrow may be completely different for themselves and their families, says Janis ABASINS, LAA President.*

Of those Latvians who have changed their perception of importance of the family's future stability due to the war in Ukraine, 10% have admitted to saving in cash, another 6% have started to save in cash, 5% have purchased life insurance and 3% have taken legal action as settlement of obligations by concluding powers of attorney, inheritance, marriage contracts, etc. On the other hand, 68% of respondents have admitted that their saving habits have not changed due to the events of recent months.

The survey also showed how people's concerns about their own and their family's future have been affected by the Covid-19 pandemic. In the 2022 survey, 70% of respondents said that the pandemic had not changed their saving habits, which is 14% more than in 2021, when the impact of the pandemic on saving was rejected by 56% of respondents. However, the pandemic has led 19% of respondents to think more about creating a financial cushion and 3% - to buy life insurance.

Speaking about the post-pandemic period, Insurance companies in Latvia have received three times more claims under travel insurance. Although the intensity of tourism has not yet returned to the pre-Covid level, this summer is very active for both travelers and insurers, said Janis ABASINS, president of the Latvian Insurers' Association. (A.V.)

# Latvia

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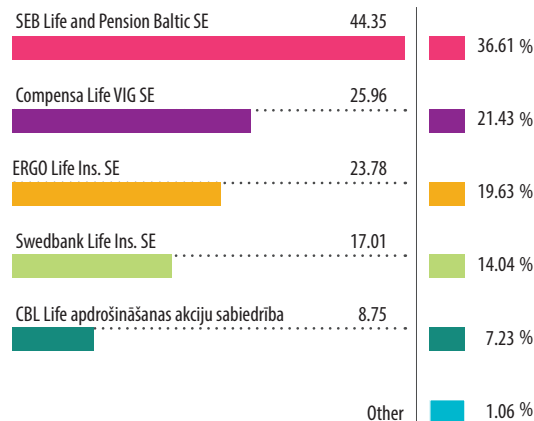
Full market rankings per company & per class

MSEcel format

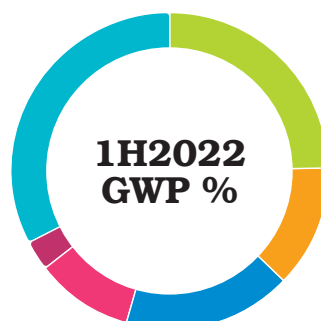
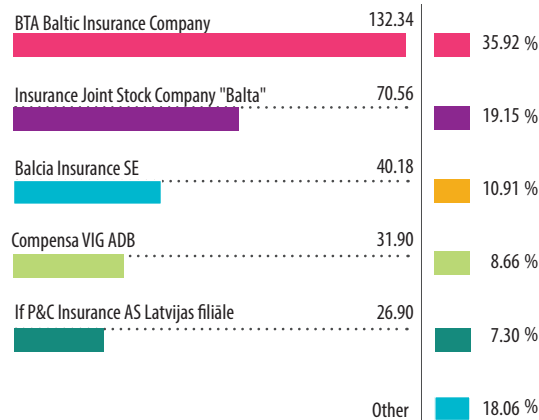


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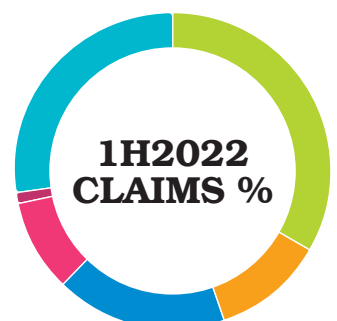
## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	24.74
Property	12.54
Motor Hull	17.23
MTPL	10.14
GTPL	3.11
Other	32.24



Life	33.36
Property	11.50
Motor Hull	17.43
MTPL	9.47
GTPL	1.13
Other	27.11

# Lithuania



S&P Rating  
**A+, STABLE**

Moody's rating  
**A2, STABLE**

Fitch Rating  
**A, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Bank of Lithuania (LB)

<sup>3</sup> XPRIMM calculations



## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	42.28	45.52	48.86	49.51	55.33
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	14,947	16,246	17,487	17,713	19,833
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	7.07	6.15	6.25	8.49	7.12
<b>Population</b>	Millions <sup>1</sup>	2.83	2.80	2.79	2.80	2.79
<b>Gross written premiums</b>	EUR million <sup>2</sup>	792.60	878.13	945.87	954.87	1,039.98
<b>Paid claims</b>	EUR million <sup>2</sup>	455.34	452.59	499.08	500.74	547.15
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	1.87%	1.93%	1.94%	1.93%	1.88%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	280.27	313.39	338.54	341.63	372.75

During H1 2022, the Lithuanian insurance market grew by 19.4% y-o-y (or by EUR 97 million) to EUR 598 million, while the value of payments expanded by 36% y-o-y to EUR 328 million, according to the market figures published by the Bank of Lithuania.

On business lines, the non-life insurance market in terms of GWP grew by a quarter and amounted to EUR 434 million.

Payments amounted to EUR 237 million, up by 29.4 percent. Compulsory MTPL insurance premiums grew by 19.4% to EUR 133 million, and payments 16.2% to EUR 79 million. The volume of travel-related medical expenses insurance

grew extremely rapidly, by more than 50 percent.

Life insurance market premiums grew more moderately, by only 8.5% and amounted to EUR 164 million. The volume of life investment insurance increased by 12.1% up to EUR 113 million. Overall, life insurance payments amounted to EUR 87 million, up by 34.2%. The amount of investment life insurance benefits paid out after termination of contracts increased almost 2 times, this phenomenon being associated with the deterioration of the geopolitical situation due to the war against Ukraine.

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	598.21	501.20	19.36	324.73	248.54	30.66	100.00	100.00
<b>TOTAL LIFE</b>	163.75	150.87	8.54	87.38	65.11	34.21	27.37	30.10
Insurance with profit participation	19.11	21.19	-9.80	16.74	13.59	23.18	3.19	4.23
Index-linked and unit-linked	112.60	100.40	12.15	61.79	44.32	39.41	18.82	20.03
Health insurance	22.55	20.22	11.50	6.51	5.19	25.49	3.77	4.03
Other life insurance	9.49	9.05	4.85	2.34	2.01	16.52	1.59	1.81
<b>TOTAL NON-LIFE</b>	434.46	350.34	24.01	237.34	183.43	29.39	72.63	69.90
Medical expense insurance	46.44	30.42	52.68	30.78	18.94	62.47	7.76	6.07
Income protection insurance	17.10	15.04	13.73	6.28	5.62	11.90	2.86	3.00
<b>Property insurance</b>	97.22	75.20	29.28	43.97	31.87	37.97	16.25	15.00
<b>Overall motor insurance</b>	231.82	193.80	19.62	144.83	117.56	23.20	38.75	38.67
Motor Hull	98.95	82.48	19.96	66.19	49.90	32.64	16.54	16.46
MTPL	132.87	111.32	19.36	78.64	67.66	16.23	22.21	22.21
Marine, aviation and transport insurance	2.56	2.29	11.58	0.77	1.40	-45.04	0.43	0.46
GTPL	16.87	14.95	12.79	5.85	4.32	35.51	2.82	2.98
Carrier TPL insurance	2.71	2.92	-7.02	1.34	1.30	3.26	0.45	0.58
Credit and suretyship	12.00	9.93	20.89	1.31	0.50	161.93	2.01	1.98
Assistance	2.66	2.02	32.10	0.89	0.53	68.64	0.45	0.40
Miscellaneous financial loss	4.99	3.71	34.65	1.05	1.22	-14.37	0.83	0.74
Other non-life insurance	0.08	0.05	41.26	0.28	0.18	56.91	0.01	0.01

Lithuania joined the Eurozone by adopting the euro on 1 January 2015

Half-year GWP expanded by almost EUR 100 million

9 domestic insurers and 11 EUR branches were active on the market

Local insurers' H1 profits was EUR 3.9 million: 7 insurers were profitable, 2 suffered losses





Renata BAGDONIENĖ  
Director, Banking  
and Insurance  
Supervision  
Department, Bank of  
Lithuania

At the end of the first half of this year, 20 insurers provided insurance services on the domestic market: 9 insurance companies registered in Lithuania (5 life and 4 non-life insurers) and 11 branches of insurance companies registered in other EU countries (4life/7non-life). At the same time, there were active 102 insurance brokerage companies.

According to the Central Bank's statistics, SWEDBANK Life Insurance (22.4% market share) is the largest life insurer in the country as GWP volume, while Lietuvos draudimas (~EUR 124 million) is the top non-life insurer out of 13 market players.

During the reporting period the aggregate profit was EUR 3.9 million (vs. EUR 27.7 million in June 2021), seven insurers reporting positive results, the other two local insurers ending the analyzed period with losses. Life insurers posted net profits of EUR 7.1 million (vs. EUR 9.3 million), while the non-life segment ended the first half year with a net loss worth EUR-3.2 million (vs. EUR 18.4 million).

The representatives of Lithuanian Central Bank pointed out that Russia's war against Ukraine, geopolitical instability and rising inflation had a certain impact on the performance of insurance companies: in the short term, the value of insurance companies' investments decreased. At the same time, despite this negative trend in terms of profitability as compared with H1 2021, comparing with Q1 2022, after experiencing a loss in the first quarter of this year, the insurance market recovered - it grew by almost a fifth, and the overall financial result after half a year was already positive.

The insurance sector has recovered from the decline in the first quarter, but trends in the investment environment need to be monitored. Inflation will also have an impact on the results and service prices of insurance companies, says Renata BAGDONIENĖ, Director of the Banks and Insurance Companies Supervision Department of the Bank of Lithuania.

(A.V.)

# Lithuania

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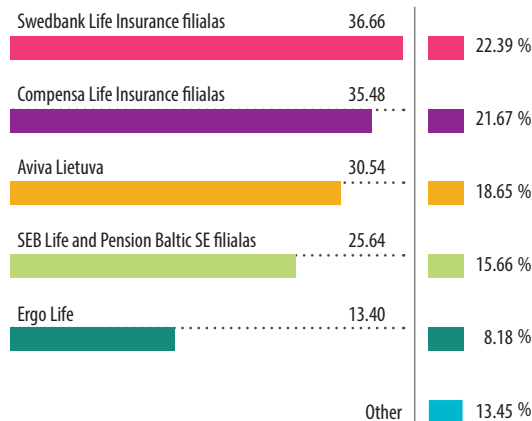
Full market rankings per company & per class

MSEcel format

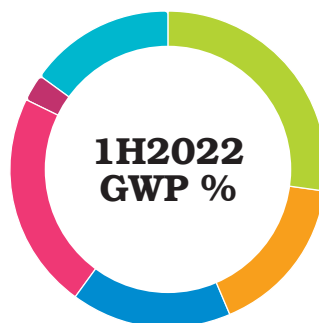
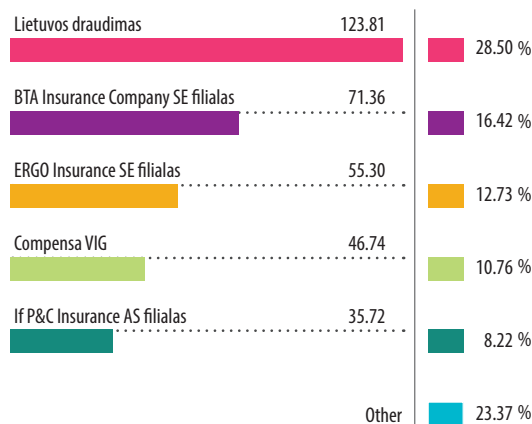
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## TOP5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	27.37
Property	16.25
Motor Hull	16.54
MTPL	22.21
GTPL	2.82
Other	14.80



Life	26.91
Property	13.54
Motor Hull	20.38
MTPL	24.22
GTPL	1.80
Other	13.15

# Montenegro



S&P Rating  
**B, STABLE**

Moody's rating  
**B1, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Insurance Supervision Agency of Montenegro

<sup>3</sup> XPRIMM calculations

Aggregated profit before taxes was of EUR 5.62 million, all the 9 reporting insurance companies ending the first half of the year "in black", with a positive balance

Sava osiguranje, Generali osiguranje Montenegro and Lovćen osiguranje are the top 3 most profitable insurers

The largest life insurer in the country was GRAWE osiguranje, with a market share of 37.2%, while LOVCEN osiguranje was the biggest non-life insurer, with a market share of 43.5%

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
GDP, current prices	EUR billion <sup>1</sup>	4.30	4.66	4.95	4.19	4.91
GDP per capita, current prices	EUR <sup>1</sup>	6,907	7,495	7,959	6,737	7,900
Unemployment rate	% of total labor force <sup>1</sup>	n/a	n/a	n/a	n/a	n/a
Population	Millions <sup>1</sup>	0.62	0.62	0.62	0.62	0.62
Gross written premiums	EUR million <sup>2</sup>	81.77	86.83	94.76	93.67	98.81
Paid claims	EUR million <sup>2</sup>	35.70	42.07	37.23	36.58	43.31
Insurance penetration degree	% in GDP <sup>3</sup>	1.90%	1.86%	1.91%	2.24%	2.01%
Insurance density	EUR/capita <sup>3</sup>	131.46	139.60	152.35	150.84	158.86

The insurance market of Montenegro totaled EUR 54.9 million at the end of H1 2022, up by 11.9% y-o-y (or by EUR 5.9 million), according to the half-year figures published by the local Insurance Supervision Agency (ISA).

Gross written premiums from non-life insurance represents 81.6% of total insurance market - about EUR 44.8 million, up by 12.4% y-o-y while, life business GWP was up by 9.2% y-o-y to EUR 10.1 million. Commenting of the 2021 results and the market perspectives in the beginning of 2022, Uroš Andrijašević, President of ISA's Council said that *the data show that the insurance market is developing and showing resistance to external and internal*

*shocks. He also stressed out that the Agency continues to implement its activities even more intensively in order to maintain market stability, bearing in mind the possibility that the negative effects of the pandemic on the insurance market may occur with a certain time distance.'*

In terms of claims, total payments totaled EUR 21 million, up by 0.9% y-o-y. Life indemnities increased by 3.1% y-o-y to EUR 4.9 million, while non-life claims amounted EUR 16 million (+0.3% y-o-y).

It is worth also noting that Montenegrin insurers' aggregated assets reached EUR 256.56 million, while profit before taxes was of EUR 5.62 million, all the 9 reporting insurance companies ending the first

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	54.86	49.01	11.93	20.95	20.76	0.93	100.00	100.00
<b>TOTAL LIFE</b>	10.10	9.19	9.84	4.93	4.78	3.11	18.40	18.75
<b>TOTAL NON-LIFE</b>	44.76	39.82	12.42	16.03	15.98	0.28	81.60	81.25
Accident	5.90	5.54	6.43	3.38	4.01	-15.54	10.75	11.31
Health	1.93	1.51	27.95	0.82	0.63	30.99	3.52	3.08
<b>Overall property insurance</b>	8.02	7.06	13.59	1.51	1.19	26.06	14.63	14.41
Fire and allied perils	2.04	2.03	0.50	0.25	0.35	-28.93	3.72	4.15
Damages to property	5.98	5.03	18.88	1.26	0.85	48.48	10.90	10.27
<b>Overall motor insurance</b>	22.95	21.65	6.01	9.54	8.76	8.91	41.83	44.17
Motor hull	3.65	3.10	17.70	1.83	1.67	9.64	6.66	6.33
MTPPL	19.30	18.54	4.05	7.70	7.09	8.73	35.17	37.84
GTPL	1.81	1.41	28.21	0.12	0.95	-87.54	3.30	2.88
Other non-life insurance	4.15	2.64	56.99	0.66	0.45	48.17	7.57	5.40

Montenegro currency: EURO



Uroš ANDRIJAŠEVIĆ  
President of ISA's  
Council

half of the year "in black", with a positive balance. Slovenian Sava Re's subsidiary Sava osiguranje reported the best result in profitability terms, its profit before taxes amounting to EUR 1.36 million or a quarter of the whole market profit. Generali osiguranje Montenegro recorded a very close second-best result, of EUR 1.3 million, while Lovćen osiguranje, part of the Slovenian insurance group TRIGLAV, ranked third in profitability terms, with EUR 1.06 million.

The largest life insurer in the country was GRAWE osiguranje with a GWP volume of EUR 3.8 million and a market share of 37.2%, while LOVCEN osiguranje was the biggest non-life insurer with GWP of EUR 19.5 million and a market share of 43.5%.

Among the steps taken by ISA in preparation for the introduction of the Solvency 2 regulatory regime, as well as for other changes aiming to help the market's development and modernization, there are several memorandums of understanding signed together with supervising authorities of other countries that are meeting the same challenges, as Bosnia and Herzegovina, or countries with mature insurance markets, as Austria. That may offer significant know-how supports. *The memorandum signed with the regulator from Austria is particularly important to Montenegro, given that Austrian capital accounts for 52% of the total share capital of Montenegrin insurance companies, and that five out of nine Montenegrin insurers have their parent company based in Austria,* pointed out Uroš Andrijašević.

(D.G.)

# Montenegro

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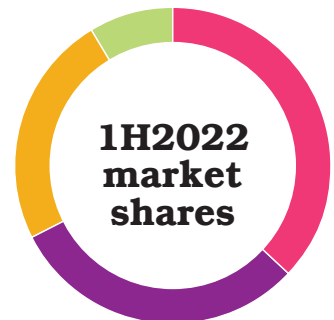
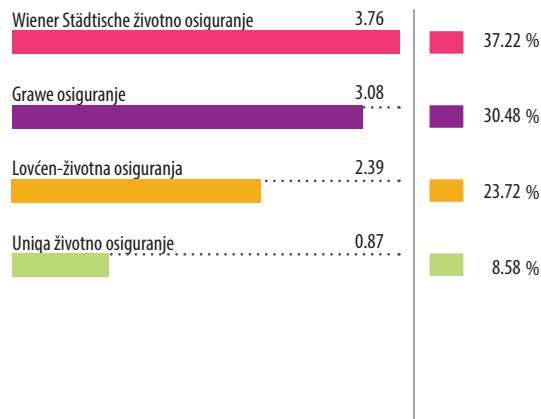
Full market rankings per company & per class

MSEcel format

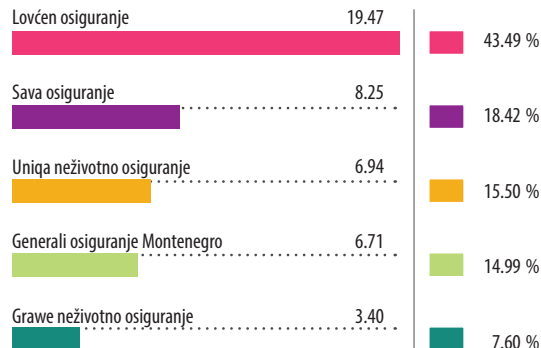
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## TOP Life insurance ranking (GWP, EUR million)



## TOP 5 Non-Life insurance ranking (GWP, EUR million)



Life	18.40
Property	14.63
Motor Hull	6.66
MTPL	35.17
GTPL	3.30
Other	21.84



Life	23.51
Property	7.19
Motor Hull	8.75
MTPL	36.77
GTPL	0.57
Other	23.22

# North Macedonia



S&P Rating  
**BB-, STABLE**

Fitch Rating  
**BB+, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> National Bank of the Republic of Macedonia

<sup>3</sup> Insurance Supervision Agency

<sup>4</sup> XPRIMM calculations

The largest growth in sales in 1H was in travel insurance, with 155,000 people insured, up nearly 87,000 more insureds or twice as much as the same period in 2021

Private health insurance seemed to be the most popular voluntary insurance line, companies and citizens concluding 13,000 contracts, by 32% more y-o-y. While premiums reached over MKD 385 million (EUR 6.3 million), which is 66% more y-o-y, claims also saw a record high, accounting for 40% of total claims

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
GDP, current prices	MKD billion <sup>1</sup>	618.11	660.88	692.68	655.93	723.24
	EUR billion <sup>4</sup>	10.05	10.75	11.27	10.63	11.74
GDP per capita, current prices	MKD <sup>1</sup>	297,839	318,168	333,621	317,057	349,592
	EUR <sup>4</sup>	4,844	5,174	5,426	5,139	5,673
Unemployment rate	% of total labor force <sup>1</sup>	22.38	20.73	17.25	16.38	15.70
Population	Millions <sup>1</sup>	2.08	2.08	2.08	2.07	2.07
MKD/EUR exchange rate	End of period <sup>2</sup>	61.49	61.50	61.49	61.69	61.63
Gross written premiums	MKD million <sup>3</sup>	8,992.21	9,927.56	10,583.41	10,065.91	11,629.70
	EUR million <sup>4</sup>	146.24	161.44	172.13	163.16	188.71
Paid claims	MKD million <sup>3</sup>	3,577.64	3,918.51	4,030.95	4,005.50	4,664.22
	EUR million <sup>4</sup>	58.18	63.72	65.56	64.93	75.68
Insurance penetration degree	% in GDP <sup>4</sup>	1.45%	1.50%	1.53%	1.53%	0.02
Insurance density	EUR/capita <sup>4</sup>	70.48	77.73	82.91	78.86	91.21

North Macedonian insurers posted aggregate GWP worth MKD 6.5 billion (~EUR 105 million), 9.4% more y-o-y in the first half of 2022, according to data published by the Insurance Supervision Agency (ISA) of Macedonia. Non-life GWP accounted for 83.5% of the total GWP (MKD 5.4 billion, or EUR 87.5 million) - of which MTPL (37.1% of total), property (20.1%), MoD (7.4%), GTPL (2.7%) and other non-life subclasses (16.1%), the remaining share of 16.5% being represented by the life insurance segment: GWP of MKD 1 billion. The largest growth in sales in 1H was in travel insurance, with 155,000 people insured, up nearly 87,000 more insureds

or twice as much as the same period in 2021. There is a slight decrease in sales of property insurance, while demand for private health insurance continues to grow, albeit at a lower intensity, the ISA said.

The number of concluded insurance contracts for the first six months grew by 20%. More than 761,000 insured persons have purchased insurance under all 18 classes of non-life insurance.

As expected, the largest premium volume was recorded in MTPL, for which 426,000 insurance contracts have been concluded, including Green Card. During the period, premiums worth MKD 2.4 billion (EUR 39 million) were collected, which is 8% more

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	104.72	95.69	9.44	38.37	35.95	6.71	100.00	100.00
<b>TOTAL LIFE</b>	17.25	14.72	17.20	5.60	4.56	22.74	16.47	15.38
<b>TOTAL NON-LIFE, of which:</b>	87.47	80.97	8.03	32.77	31.39	4.38	83.53	84.62
<b>Overall property insurance</b>	21.12	22.64	-6.71	4.71	4.73	-0.58	20.17	23.66
Fire and allied perils	7.31	8.26	-11.54	1.70	0.71	140.14	6.98	8.63
Damages to property	13.81	14.38	-3.94	3.01	4.03	-25.34	13.19	15.03
<b>Overall motor insurance</b>	46.60	43.06	8.23	22.17	20.52	8.07	44.50	45.00
Motor Hull	7.74	6.98	10.85	4.02	3.63	10.79	7.39	7.30
MTPL	38.86	36.08	7.72	18.15	16.88	7.49	37.11	37.70
GTPL	2.84	2.39	18.98	0.08	0.08	-6.48	2.71	2.50
Other non-life insurance	16.91	12.88	31.23	5.81	6.06	-4.09	16.14	13.46

1 EUR = 61.6950 Denars, MKD (June 30<sup>th</sup>, 2021))

1 EUR = 61.6950 Denars, MKD (June 30<sup>th</sup>, 2022)



than last year, while the number of sold policies increased at a similar pace. On the other hand, the largest damages were paid also for MTPL insurance. In 1H, all 11 non-life insurance companies paid out a total of MKD 1.12 billion (EUR 18.2 million) for 14,820 claims. Paid claims for Motor Hull insurance accounted for MKD 248.2 million (EUR 4 million), which is 11% more y-o-y.

In property insurance, the largest class of voluntary insurance, in 1H2022 GWP reached MKD 1.3 billion (EUR 21.2 million), which is 7% less than the same period last year. Almost 70,000 citizens, companies, and legal entities insured their property. On the other hand, paid claims for property insurance totaled MKD 290.4 million (EUR 4.7 million), an almost unchanged amount as compared with the previous year, while the number of liquidated claims decreased by 11.5%.

Private health insurance seemed to be the most popular voluntary insurance line, companies and citizens concluding 13,000 contracts, by 32% more y-o-y. Insureds have paid premiums of over MKD 385 million (EUR 6.3 million) for this product, which is 66% more y-o-y. In parallel with premium growth, paid claims in this insurance have been even more dynamically growing, the reason is excessive use of this product by insureds and the increased prices of services from private hospitals. For the first time in the history of the North Macedonian insurance market, private health insurance took the lead in the number of claims paid out. More than 40% of all claims paid relate to medical expenses reported by policyholders who have private health insurance, the ISA (Insurance Supervisory Agency) announced.

Overall, non-life insurance companies paid out more than 45,000 claims, from which the insured received MKD 2 billion denars (EUR 32.9 million) in 1H. Compared to the same period last year, the number of liquidated claims increased by 28%, while their value increased by 4%, according to official data.

During the analyzed period, TRIGLAV - 15.6% market share was the largest non-life insurer in the country, while CROATIA (31.2%) led the life field.

(D.G.)

# North Macedonia

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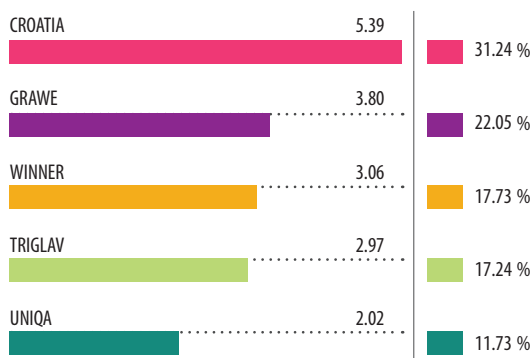
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

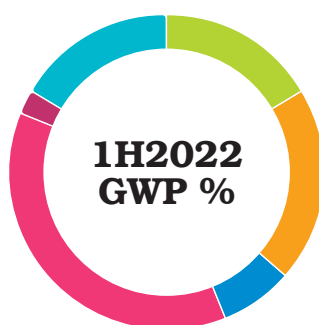
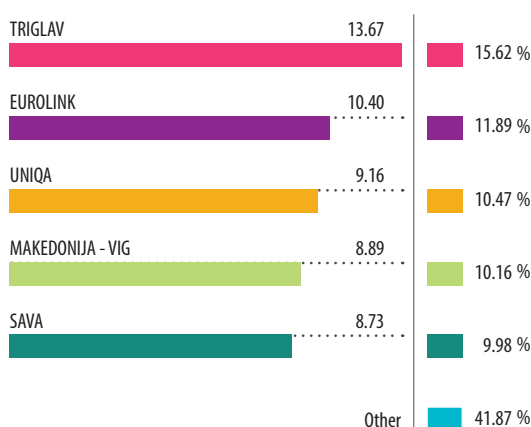
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## TOP 5 Life insurance ranking (GWP, EUR m)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	16.47
Property	20.17
Motor Hull	7.39
MTPL	37.11
GTPL	2.71
Other	16.14



Life	14.60
Property	12.27
Motor Hull	10.49
MTPL	47.31
GTPL	0.20
Other	15.14

# Poland



S&P Rating  
**A-, STABLE**

Moody's rating  
**A2, STABLE**

Fitch Rating  
**A-, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> National Bank of Poland

<sup>3</sup> The Polish Financial Supervision Authority (KNF)

<sup>4</sup> XPRIMM calculations



## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	PLN billion <sup>1</sup>	1,989.84	2,121.56	2,293.20	2,326.66	2,603.11
	EUR billion <sup>4</sup>	477.08	493.38	538.50	504.17	565.97
<b>GDP per capita, current prices</b>	PLN <sup>1</sup>	52,401	55,865	60,391	61,295	68,792
	EUR <sup>4</sup>	12,564	12,992	14,181	13,282	14,957
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.95	3.89	3.31	3.20	3.50
<b>Population</b>	Millions <sup>1</sup>	37.97	37.98	37.97	37.96	37.84
<b>PLN/EUR exchange rate</b>	End of period <sup>2</sup>	4.1709	4.3000	4.2585	4.6148	4.5994
<b>Gross written premiums</b>	PLN million <sup>3</sup>	62,353.67	62,169.79	63,831.25	63,421.47	69,222.36
	EUR million <sup>4</sup>	14,949.69	14,458.09	14,989.14	13,743.06	15,050.30
<b>Paid claims</b>	PLN million <sup>3</sup>	39,840.07	41,675.34	40,868.61	39,649.71	41,302.76
	EUR million <sup>4</sup>	9,551.91	9,691.94	9,596.95	8,591.86	8,980.03
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	3.13%	2.93%	2.78%	2.73%	2.66%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	393.69	380.71	394.73	362.06	397.74

According to Polish Chamber of Insurance (PIU) data, the local insurance market ended the first half of 2022 with GWP slightly under the 1H2021 level (-0.5% y-o-y). Thus, GWP reached EUR 7.57 billion. The stagnant status of the market was determined entirely by the life insurance segment which saw a 8.3% decrease in GWP.

Overall, life insurance GWP reached EUR 2.23 billion, while the segment's weight in the market portfolio fell from 32% to 29.5%

in June 2022. The product intervention in the Polish market, which entered into force from the beginning of 2022, highly affected sales of UL products and was the main cause of the over 32% decrease in GWP for this line of business. The KNF's decision has imposed prohibitions on the marketing, distribution and sale of insurance-based investment products – unit-linked (UL) life insurance contracts which meet at least one of certain criteria related to the products' return and

The product intervention in the Polish market, in force from January 2022, highly affected sales of UL products and was the main cause of the over 32% decrease in GWP for this line of business

New recommendations of the KNF concerning the liquidation of motor insurance claims will enter into force on 1 November, potentially having a significant impact on repair costs

Property insurance lines saw the highest growth in claims paid, of 57% up y-o-y, as significantly more damage reported from storms, hailstorms and fires

## Market portfolio at June 30<sup>th</sup>, 2022

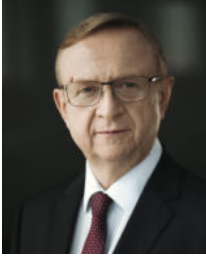
Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	7,574.02	7,613.75	-0.52	4,808.63	4,410.84	9.02	100.00	100.00
<b>TOTAL LIFE</b>	2,237.36	2,439.33	-8.28	2,134.89	2,063.69	3.45	29.54	32.04
Life insurance	972.69	979.60	-0.71	755.82	874.33	-13.55	12.84	12.87
Unit-linked	446.55	659.27	-32.27	1,051.73	873.44	20.41	5.90	8.66
Accident and sickness	792.06	771.78	2.63	302.88	292.30	3.62	10.46	10.14
Other life insurance (reins. accepted included)	26.05	28.67	-9.14	24.45	23.62	3.49	0.34	0.38
<b>TOTAL NON-LIFE</b>	5,336.66	5,174.42	3.14	2,673.74	2,347.15	13.91	70.46	67.96
Accident	169.11	195.14	-13.34	34.40	32.49	5.87	2.23	2.56
Sickness	97.46	99.06	-1.62	42.04	31.69	32.68	1.29	1.30
<b>Overall property insurance</b>	1,063.45	950.55	11.88	448.30	285.45	57.05	14.04	12.48
Fire and allied perils	528.87	476.75	10.93	273.12	169.82	60.83	6.98	6.26
Damages to property	534.58	473.80	12.83	175.18	115.64	51.49	7.06	6.22
<b>Overall motor insurance</b>	2,748.20	2,691.81	2.09	1,700.82	1,629.85	4.35	36.28	35.35
Motor Hull	1,140.14	1,046.05	9.00	665.76	622.19	7.00	15.05	13.74
MTPL	1,608.05	1,645.76	-2.29	1,035.06	1,007.66	2.72	21.23	21.62
Casco insurance (railway, aircraft & navigation, summed)	32.48	32.46	0.06	11.78	9.74	20.94	0.43	0.43
Carriers' liability (aircraft & navigation, summed)	7.37	4.58	60.83	2.70	1.31	106.78	0.10	0.06
GTPL	343.54	321.43	6.88	131.37	119.59	9.84	4.54	4.22
Credit	75.67	65.47	15.58	11.33	9.86	14.96	1.00	0.86
Suretyship	53.40	48.44	10.24	10.33	0.88	1,073	0.71	0.64
Financial loss	125.62	122.91	2.20	22.70	17.06	33.06	1.66	1.61
Travel	193.64	168.47	14.94	87.61	69.50	26.07	2.56	2.21
Other non-life insurance (reinsurance accepted included)	426.73	474.10	-9.99	170.34	139.73	21.91	5.63	6.23

1 EUR = 4.5208 Złots - PLN (June 30<sup>th</sup>, 2021)

1 EUR = 4.6806 Złots - PLN (June 30<sup>th</sup>, 2022)



Jan Grzegorz  
PRĄDZYŃSKI  
President of the PIU  
Management Board



ANDRZEJ MACIĄŻEK  
Vice President of the  
PIU Management  
Board

investment rules. The decision applies to UL insurance contracts concluded as of 1 January 2022, except for Employee Capital Plans, Occupational Pension Schemes, Individual Retirement Protection Accounts, Individual Pension Accounts. The measure aims at preventing the exposure of customers acquiring unit-linked insurance contracts to excessive investment risk, including liquidity risk, as well as to prevent the low value of UL insurance contracts for customers in Poland, in particular due to low or negative level of the effective rate of return achieved for customers and to high level of fees charged under such contracts. Non-life GWP went up, overall, by 3.14% y-o-y, to EUR 5.33 billion. While some LoBs saw a negative trend, as accident, sickness or MTPL insurance, property insurance reported an almost 12% increase in GWP. On the paid claims side, life insurance benefits increased by 7.1%. The largest increase in payouts concerned investment and savings insurance and amounted to over 24.7% (local currency), PIU said. On the non-life side, motor products account for the largest part of claims. However, the highest growth rate was recorded on the property insurance lines (57% up y-o-y, European currency). Compared to last year, significantly more damage from storms, hailstorms and fires has been reported. Not only was their number greater, but also the average value, Andrzej Maciążek, Vice President of the Management Board of PIU stated. Due to fire and other elements, insurers paid out about EUR 273 million in the first half of 2022, up by 60.8% more than a year earlier.

On July 18, new recommendations of the KNF concerning the liquidation of motor

# Poland



FIND MORE ON [WWW.XPRIMM.COM/POLAND](http://WWW.XPRIMM.COM/POLAND)

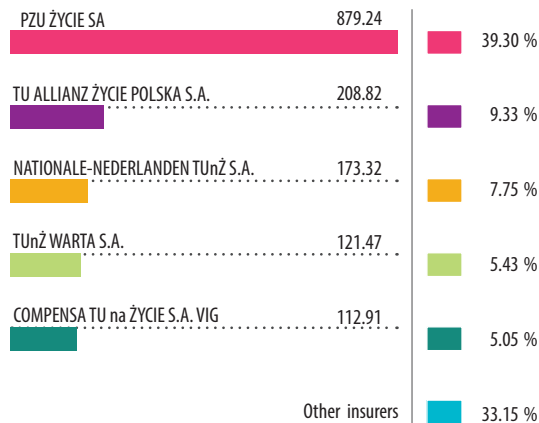
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

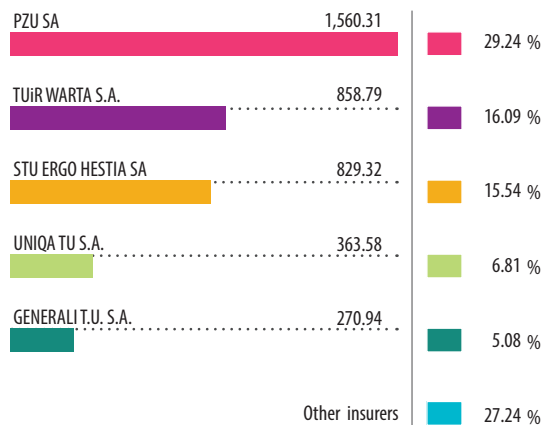
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## TOP 5 Life insurance (GWP, EUR million)



## Top 5 Non-life insurance (GWP, EUR m)



Life	29.54
Property	14.04
Motor Hull	15.05
MTPL	21.23
GTPL	4.54
Other	15.60



Life	44.40
Property	9.32
Motor Hull	13.85
MTPL	21.53
GTPL	2.73
Other	8.18

insurance claims, that will replace the standard set in 2014, were published, which will have a significant impact on repair costs. They will enter into force on 1 November this year. "Insurers are legally obliged to ensure that the premiums they collect from drivers cover at least the costs of paid claims and the costs of their business. Higher damage costs mean higher policy prices for customers. Hence, increases in TPL prices are very likely, they will reflect inflation, KNF recommendations, more expensive repairs, and supply chain breaks. Meanwhile, customers are interested in keeping the price for this insurance as low as possible. Many people will find it very difficult to bear these costs. And that could mean an increase in the number of uninsured vehicles. Therefore, we pay attention not to generate further incentives for increases in such a difficult moment for clients," Jan Grzegorz Prądzynski, President of PIU explained.

According to the Deloitte Poland analysts, the new recommendations may have a significant contribution to drive inflation in vehicle claims covered by MTPL insurance up to 19-27% in Q1 2023, analyst quoted by Gazeta Ubezpieczeniowa believe. Among the factors that may determine a rise in repair costs there are:

» the increase in hourly labor costs in car repairs, especially in small towns, with little competition; as the recommendation provides, with little exception, for the prohibition of insurers from organizing repairs outside the local market, the labor cost factor will gain weight;

» Increase in the prices of parts in the cost estimate method, the recommendation prohibits the use of discounts applicable in repair shops and points of sale cooperating with the insurer; also, as victims will be entitled to use original parts for repair, regardless of the age or condition of the vehicles, that might add supplementary to the invoice-based repairs costs

» Reducing the number of settlements and increasing the costs of the small claims settlement process with low compensation amounts by complicating the settlement process.

Although it is very hard to estimate the impact of a recommendation on the average claim, as it will depend very much on insureds' decisions in the process, insurers estimate the impact of recommendations will reach an approx. 8-10% increase in the average vehicle loss.

The potential sharp increase in claims cost is concerning mostly because of the continued downward trend of the MTPL

tariffs. IN the first half 2022, the value average MTPL insurance premium reached a new record low point, at PLN 482.4, down 1.2% y-o-y. According to Rankomat, a comparison website, the current tariffs are lower than in 2016. At the same time, the average damage was increased to PLN 8,769.5, by 5.2% more than a year ago.

Finally, the claims figures also show a rather dramatic y-o-y increase of the disbursements under insurance guarantees class (suretyship). According to PIU experts, the explanation lies in the special character of 2021, the comparison base, a year when "many construction projects implemented by the public sector, secured by insurance companies, were at the beginning of their implementation. At this stage, most often there is no demand for payment of amounts under the guarantee." In addition, insurance companies recovered a large part of the amounts under recourse, which significantly reduced the total amount of guarantees payments for the first half of 2021.

Polish insurers generated EUR 491 million in net profit in the first half of 2022, i.e. by 16%. less than a year ago. Insurers paid EUR 124.14 million in income tax to the state budget.

(D.G.)

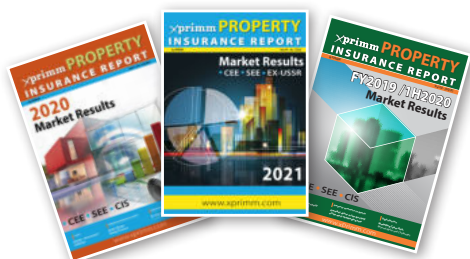
# xprimm publications

Insurance in CEE, SEE and ex-USSR

## XPRIMM Insurance Report



## PROPERTY Insurance Report



## MOTOR Insurance Report



## INSURANCE PROFILE





# Alexandru Ciuncan is the new PDG of the Romanian Insurers Association



The General Assembly of UNSAR - the National Union of Insurance and Reinsurance Companies in Romania, an organization to which 20 insurance companies representing about 90% of the insurance market belong - appointed on Thursday, 29 September 2022, by vote, the members of the Board of Directors for the next three years.

Thus, the Presidency of UNSAR will be held by Alexandru CIUNCAN, while the position of Vice President was given to NN Life Insurance. Members of the Board of Directors are ALLIANZ-TIRIAC Asigurari, GENERALI Romania, GROUPAMA Asigurari, SIGNAL Iduna Asigurari and UNIQA Asigurari. According to UNSAR bylaws, the Board membership positions are granted to member companies, which will nominate in turn their representatives.

*I thank all UNSAR members for their trust. We have a lot of work ahead of us, together with all the actors in the financial-banking ecosystem, for the benefit of our clients and the Romanian economy. Among our priorities in the coming years are to strengthen the confidence of Romanians in the industry, its sustainable development and intensify financial education actions. The messages of the information campaigns of recent years - #gatapentruVIATA, #ATENTinTRAFIC, #ANTIGHINION, #ANTIGHINIONpentruAcasa or #BusinessSOS - have reached millions of Romanians, and this can only motivate us to continue in this direction, through ambitious projects and initiatives, said Alexandru CIUNCAN, the new President and General Director of UNSAR.*

*It has been an honor for me to lead the representative association of the Romanian insurance market for six years as President. I would like to thank our members and dialogue partners for their efforts to increase the visibility and stability of the industry in a challenging period. We will continue to support the new leadership so that, together, we can contribute to the development of the Romanian insurance industry, said Adrian MARIN, who has held the Presidency of the Union on behalf of GENERALI Romania for 6 years.*

According to the UNSAR Statute, the Board of Directors ensures the operational activity of the Union and the implementation of the resolutions of the General Assembly, in order to achieve the objectives of UNSAR.

## About UNSAR

Founded in 1994, UNSAR - National Union of Insurance and Reinsurance Companies in Romania represents 20 insurance companies. They hold a share of about 90% of the local insurance market. UNSAR's activity aims at defending and representing the interests of Romanian insurers and reinsurers, participating in the improvement of the legislative framework in the insurance field, promoting the insurance activity in Romania and promoting the most sustainable development of the insurance industry at home and abroad.

Since 2007, UNSAR is a full member of the European insurers and reinsurers federation - Insurance Europe.

# Romania



S&P Rating

**BBB-, STABLE**

Moody's rating

**BAA3, STABLE**

Fitch Rating

**BBB-, NEGATIVE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> The National Bank of Romania

<sup>3</sup> Financial Supervision Authority (FSA)

<sup>4</sup> XPRIMM calculations

🌸 GWP for 1H2022 showed a 36.5% increase y-o-y, to a total close to the EUR 2 million threshold, a historic peak for a half-year reference period

🌸 GWP for MTPL insurance grew by over 82% y-o-y, an evolution largely owed to the increasing prices of the MTPL policies

🌸 One of the main causes of CITY Insurance bankruptcy was the deficit resulting from the sale of insurance policies below the notified tariff between 2018-2021, in order to increase market share, judicial liquidator said

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	RON billion <sup>1</sup>	857.90	951.73	1,058.97	1,058.93	1,179.38
	EUR billion <sup>4</sup>	184.11	204.06	221.57	217.47	238.35
<b>GDP per capita, current prices</b>	RON <sup>1</sup>	43,672	48,723	54,545	54,785	61,021
	EUR <sup>4</sup>	9,372	10,447	11,413	11,251	12,332
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.93	4.19	3.91	5.04	5.30
<b>Population</b>	Millions <sup>1</sup>	19.64	19.53	19.42	19.33	19.33
<b>RON/EUR exchange rate</b>	Annual average <sup>2</sup>	4.6597	4.6639	4.7793	4.8694	4.9481
<b>Gross written premiums</b>	RON million <sup>3</sup>	9,701.74	10,144.53	10,990.23	11,495.60	14,241.10
	EUR million <sup>4</sup>	2,082.05	2,175.12	2,299.55	2,360.78	2,878.10
<b>Paid claims</b>	RON million <sup>3</sup>	5,075.34	5,957.01	6,827.12	6,949.63	7,634.63
	EUR million <sup>4</sup>	1,089.20	1,277.26	1,428.48	1,427.20	1,542.94
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.13%	1.07%	1.04%	1.09%	1.21%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	105.99	111.35	118.44	122.14	148.92

Insurers licensed in Romania achieved GWP worth EUR 1.77 billion, in 1H2022, data provided by the supervising authority show. In addition, GWP by companies operating in Romanian based on the Freedom of Service (FOS) and Freedom of Establishment (FOE) rights, have driven the local market up to EUR 1,92 billion.

Looking at the business evolution for the companies licensed in Romania, thus under the Romanian market authority's surveillance, GWP for 1H2022 showed a 36.5% increase y-o-y, most of it coming from the non-life side.

Life insurance premiums grew by 11%, to EUR 300 million, but GWP for Unit-Linked products continued to go down (-7%).

Non-life GWP went up by 43.5%, to EUR 1.47 billion. The highest contribution to the market growth came from the MTPL line, for which GWP grew by over 82%, an evolution largely owed to the increasing prices of the MTPL policies as compared with the previous year. It should be noted that, in the second quarter of 2022 the evolution of the average premium value for MTPL followed a stabilization path. At the end of June 2022, the average

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	1,770.93	1,297.37	36.50	762.17	743.92	2.45	100.00	100.00
<b>TOTAL LIFE</b>	299.99	271.93	10.32	166.56	110.40	50.86	16.94	20.96
Annuities and supplementary ins.	200.53	174.82	14.71	72.90	53.15	37.16	11.32	13.47
Unit-linked	69.36	74.66	-7.10	82.72	47.42	74.46	3.92	5.75
Other life insurance	30.10	22.45	34.04	10.94	9.84	11.14	1.70	1.73
<b>TOTAL NON-LIFE</b>	1,470.94	1,025.43	43.45	595.61	633.51	-5.98	83.06	79.04
Accidents and illness	5.50	5.25	4.62	na	na	na	0.31	0.40
Health	46.42	35.92	29.25	na	na	na	2.62	2.77
<b>Overall property insurance</b>	171.91	156.46	9.87	na	na	na	9.71	12.06
Fire and allied perils	147.55	132.34	11.49	33.22	25.58	29.88	8.33	10.20
Damages to property	24.35	24.12	0.98	na	na	na	1.38	1.86
<b>Overall motor insurance</b>	1,153.84	730.88	57.87	515.44	564.61	-8.71	65.15	56.34
Motor Hull	282.23	252.44	11.80	199.98	197.41	1.30	15.94	19.46
MTPL	871.61	478.44	82.18	315.47	367.20	-14.09	49.22	36.88
GTPL	35.17	31.04	13.33	na	na	na	1.99	2.39
Warranties	28.28	42.25	-33.08	na	na	na	1.60	3.26
Travel	14.60	9.00	62.25	na	na	na	0.82	0.69
Other non-life insurance	15.22	14.63	4.03	na	na	na	0.86	1.13

1EUR = 4.9267 Lei - RON (June 30<sup>th</sup>, 2021)

1EUR = 4.9454 Lei - RON (June 30<sup>th</sup>, 2022)

premium for MTPL insurance purchased by natural persons was 904 lei, down from 913 lei at the end of March 2022. In general (natural persons and legal entities), the average premium was of 1,154 lei on June 30, compared to 1,138 lei in March 2022. However, the y-o-y comparison shows an increase in the average MTPL premium's value of 81%, which explains the over 82% y-o-y increase in the total MTPL GWP.

The steep increase in the average premium's value should rebalance the MTPL market's indicators, after a long period when the average claim's value increased constantly while the tariffs even went down. In fact, an improvement in the loss indicators was already seen. On June 30, 2022, the combined rate was 101.66%, down substantially from almost 121% in 1H2021. In the case of the MTPL line, the combined rate dropped from over 142% to only 107.4%.

It seems that, as unpleasant as it was for customers, the tariffs increase in MTPL put an end to an era of underpricing driven by competition and the dumping prices practiced by the ex MTPL market leader. In fact, according to a report of the judicial liquidator of City Insurance released in March, one of the main causes of CITY Insurance bankruptcy was the RON 1.2 billion deficit resulting from the sale of insurance policies below the notified tariff between 2018-2021, in order to increase market share.

The property insurance lines saw, overall, an almost 10% increase in GWP, but for the "fire and allied perils" the growth rate was of 11.5%, to EUR 147.55 million. Out of this sum, GWP for voluntary home insurance reached EUR 44.15 million, up by about 14% y-o-y, while the gross benefits paid also increased by approximately 9%. The number of new contracts concluded during the reporting period increased by 3%.

In market ranking terms, three companies practically share the first position, with shares between approximately 17.5% and 18% of GWP. Groupama ranks first, with 17.78% of the market total GWP, followed by Allianz-Tiriac, with 17.74% and Euroins, with 17.46%. The high level of competition is also strictly maintained at the level of non-life insurance, which remains dominant in the market structure. On the first position is the company Euroins, with 21.02%, followed by Groupama, with 20.99% and Allianz-Tiriac, with 19.34%.

(D.G.)

# Romania

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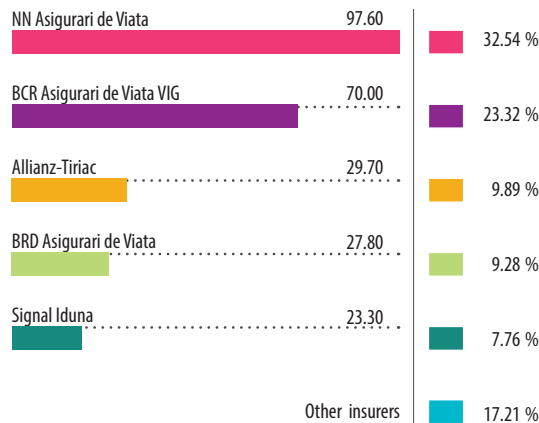
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

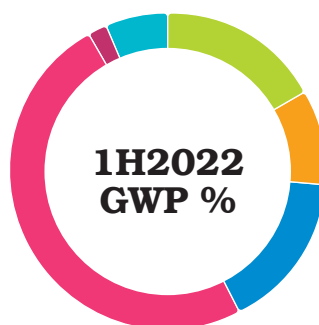
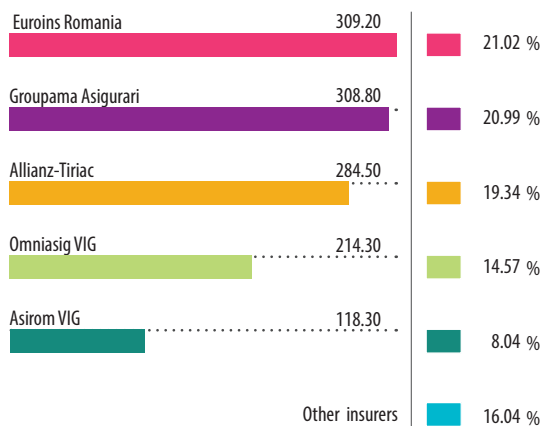
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## TOP 5 Life insurance (GWP, EUR million)



## Top 5 Non-life insurance (GWP, EUR m)



Life	16.94
Property	9.71
Motor Hull	15.94
MTPL	49.22
GTPL	1.99
Other	6.21



Life	21.85
Fire, allied perils	4.36
Motor Hull	26.24
MTPL	41.39
Other	6.16

# The winners of the XPRIMM Reinsurance Awards 2022


**OFFICIAL RECEPTION**

Loft Club, Metropolis Center

offered by


**EUROINS**  
MEMBER OF EUROHOLD

**Tanja BLATNIK**

CEO, EUROINS România

FIAR 2022 - The International Insurance - Reinsurance Forum returned at the end of May, after two years of the pandemic, and, together with it, the XPRIMM Reinsurance Awards, the prizes that recognize the best performing reinsurance companies and intermediation in international reinsurance.

*I learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel (Maya ANGELOU). I hope that this event will make you feel wonderful, said Tanja BLATNIK, CEO, EUROINS Romania at the opening of the Official Reception that hosted the awarding gala.*

Following the vote expressed by Romanian insurance companies, the XPRIMM Reinsurance Awards 2022 went to:

- » Reinsurer of the year - HANNOVER Re
- » The Most Dynamic Reinsurer of the Year - VIG Re
- » Reinsurance Broker of the Year - AON
- » The Most Dynamic Reinsurance Broker of the Year - GALLAGHER Re

XPRIMM Publications also offered two awards for professionals in fields related to reinsurance activities:

- » Award for Efficiency in Claims Management - RECREX International
- » Award for Creativity in Reinsurance Solutions - C Consulting

*We thank all our market partners for their votes, this award belongs to all my colleagues, said Lukas MACOUN, Senior Underwriter, HANNOVER Re.*

*We are extremely grateful for your support and for the trust you place in us. This is an award that belongs to the team and we hope that next year the efforts and work will bring us a similar distinction, said Ana Pavlina ZIFCIAK, Underwriter | EEC & International, VIG Re.*

*In an insurance market that moves so fast, constantly, and changes forever, as it is in Romania, to win the award for the most dynamic reinsurance broker of the year means a lot to us. The award means all the more as we are still a new name on the market, emphasized Thomas SMITH, Executive Director, GALLAGHER Re.*

*We try to do our best to always provide up-to-date information, to continue to be a reliable partner and to always remain relevant in the market, said Daniela BADALUTA, President & Founder, RECREX International.*

*We are happy to note that we have such a good relationship with the Romanian market and we hope to continue to develop very good relationships in the future, said Enrico LERZA, Director of Reinsurance Consulting & Business Development, C Consulting.*



# 12<sup>th</sup> Insurance Europe International Conference

2 June 2022



The 12th edition of Insurance Europe's International Conference organized under the titles of "CLOSING THE GAP: Protection for all" took place in Prague, at the Zofin Palace. XPRIMM supported the conference as Media Partner.

Protection gaps impact the health and wealth of both individuals and businesses. In a full day of debates and speeches, Insurance Europe examined what, where and why gaps exist, looking into exposures to natural catastrophes, cyber risks, inadequate pension saving and much more.

A top-level roster of policymakers, consumer representatives and speakers from the insurance industry have explored what actions and solutions could build resilience and ensure greater protection for all.

*We are facing big challenges. We are facing unprecedented threats to our very way of life and the War in Ukraine is a test to our capacity of dealing with difficulties. We are talking today about risks and closing the insurance gap, to provide insurance protection to a greater part of the society. Difficulties as inflation or increasing prices of energy will be important both for us and our clients. But insurers are here exactly for such times and insurers are to play a bigger role in protecting people and especially the less favored ones. We are not here just for paying claims. My dream is that our clients may say that their insurers proved a reliable help for them in many other respects,* stated in his opening speech the conference's host, Martin DIVIS, President, Czech Insurance Association (CAP); Chairman & CEO, Kooperativa pojisovna, VIG, Czechia

According to Andreas BRANDSTETTER, President, Insurance Europe; Chairman & CEO, UNIQA Insurance Group, Austria, the current context shows, among others, that insurers may be empathic industry. *Unfortunately, Covid was not the last challenge to our resilience. The war in Ukraine, the resilience of the Ukrainian people, as well as the wave of solidarity, were inspiring. I am grateful the insurers proved one more time being involved in the society and*

*generous."* However, beside the special situation created by the war, "there are challenges as the demographic evolution, climate change or evolving cyber risks that are coming from the past and will be here for a long time. We have to deal with them. The insurance industry is willing to share forces with all the forces that might help closing the protection gap, he added.

As for the main topic of conference, closing the insurance gap by providing protection for all, not only remains a difficult task, but given the actual economic context, it may become even more challenging. *At a certain point, some years ago, we were convinced that we have started closing the protection gap, but lately we can no longer think like that. There is a lot of concern, both on the gap's dimensions and the relevance of insurance protection,* commented Michaela KOLLER, Director general, Insurance Europe.

After debating on the possible approaches to increase risk awareness and financial literacy, Petra HIELKEMA, Chairperson, European Insurance & Occupational Pensions Authority (EIOPA) concluded: *We cannot give one answer and one single solution for the entire EU market. Depends on the market development, on how much coverage is there. So, why people are not buying insurance. It is important how you offer insurance so that people understand what they are really getting by buying it. There is an expectation gap, as well some issues the perceived affordability of insurance products. Attitude towards insurance is also a cultural issue, so transferring information about relevant experiences with insurance might be very useful.*

The next edition of the annual Insurance Europe conference will take place in Paris, on 7 June 2023.

Daniela GHETU



# Serbia



S&P Rating

**BB+, STABLE**

Moody's rating

**BA2, NEGATIVE**

Fitch Rating

**BB+, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> National Bank of Serbia

<sup>3</sup> XPRIMM calculations

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	RSD billion <sup>1</sup>	4,760.69	5,072.93	5,421.85	5,502.22	6,268.71
	EUR billion <sup>3</sup>	40.18	42.92	46.11	46.80	53.31
<b>GDP per capita, current prices</b>	RSD <sup>1</sup>	678,078	726,510	778,581	794,348	912,271
	EUR <sup>3</sup>	5,723	6,147	6,621	6,756	7,759
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	14.87	14.07	11.58	10.09	10.09
<b>Population</b>	Millions <sup>1</sup>	7.02	6.98	6.96	6.93	6.87
<b>RSD/EUR exchange rate</b>	End of period <sup>2</sup>	118.4727	118.1946	117.5928	117.5802	117.5821
<b>Gross written premiums</b>	RSD million <sup>2</sup>	93,093.99	99,910.59	107,449.87	109,916.74	119,408.67
	EUR million <sup>3</sup>	785.78	845.31	913.75	934.82	1,015.53
<b>Paid claims</b>	RSD million <sup>2</sup>	36,860.66	40,843.52	52,811.24	50,216.91	53,721.01
	EUR million <sup>3</sup>	311.13	345.56	449.10	427.09	456.88
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	1.96%	1.97%	1.98%	2.00%	1.90%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	111.92	121.05	131.21	134.95	147.78

Serbian insurers ended Q1 2022 with total GWP worth RSD 31.5 billion (EUR 267.8 million), 13.4% more y-o-y, according to the end-quarter statistics published by the National Bank of Serbia (NBS). In terms of GWP, DUNAV Osiguranje leads the market, with a 26.4% market share, followed by GENERALI Osiguranje with a 19.8% market share, while Wiener ranks third, with 11.7% of the total GWP. At the same time, insurers' payments increased by 22% y-o-y to RSD 14.2 billion, driven by double digit increases reported on almost insurance subclasses. On insurance classes, the largest shares were accounted by compulsory MTPL class (~26%), property insurance (21%), life insurance (22%) and MoD).

It is worth mention that the National Bank of Serbia had not published the January-

June figures until the edition closing (September 28th). Thus, it is expected that after the mid-Year, the share of MTPL subclass to increase, after in the first week of August, Serbian motor insurers increased the MTPL tariffs by 22%. At that time, the insurers' decision started a heated debate between the market players and the National Bank of Serbia (NBS) - the market supervising authority.

On one side, insurers argue that the price increase, the first adopted in the last 8 years, is justified by the inflation driven raise of prices of spare parts, as well as the increase in the prices of transport services and damage assessments, and a significant item that influenced the increase in prices is the higher prices of working hours in service centers.

## Market portfolio at March 31<sup>st</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1Q2022	1Q2021	Change	1Q2022	1Q2021	Change	1Q2022	1Q2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	267.84	236.57	13.22	120.61	99.04	21.78	100.00	100.00
<b>TOTAL LIFE</b>	58.96	54.88	7.44	40.71	36.99	10.07	22.01	23.20
<b>TOTAL NON-LIFE</b>	208.88	181.69	14.96	79.89	62.05	28.75	77.99	76.80
Accidents insurance	8.04	7.56	6.35	2.97	2.33	27.23	3.00	3.20
Health insurance	24.01	18.50	29.81	8.48	5.48	54.68	8.97	7.82
Goods in transit	2.74	1.91	43.80	0.43	0.10	350.18	1.02	0.81
<b>Overall property insurance</b>	56.76	49.54	14.59	15.25	8.39	81.75	21.19	20.94
Fire and allied insurance	16.90	14.70	14.98	8.27	2.26	265.84	6.31	6.21
Damages to property	39.87	34.84	14.42	6.99	6.13	13.91	14.88	14.73
<b>Overall motor insurance</b>	96.17	88.50	8.67	48.52	40.10	21.00	35.91	37.41
Motor Hull	26.61	22.97	15.82	17.61	13.90	26.73	9.93	9.71
MTPL	69.57	65.53	6.17	30.91	26.20	17.95	25.97	27.70
GTPL	8.60	8.08	6.45	0.98	1.01	-3.57	3.21	3.42
Financial loss	4.50	2.38	88.99	0.83	0.89	-7.42	1.68	1.01
Travel	2.89	1.74	65.58	1.02	0.50	105.14	1.08	0.74
Other non-life insurance	5.16	3.48	48.01	1.42	3.25	-56.28	1.93	1.47

1 EUR = 117.5801 Dinars - RSD (March 31<sup>st</sup>, 2021)

1 EUR = 117.7508 Dinars - RSD (March 31<sup>st</sup>, 2022)

Increasing MTPL prices started a war between motor insurers and the market watchdog

The previous MTPL price change was done on July 1, 2014

Insurers will notify the NBS of their intention to change tariffs 60 days before the planned increase



Dusko JOVANOVIĆ  
Secretary General  
Association of  
Insurers of Serbia

The overall situation on the car market has an unfavorable effect on the operations of insurance companies in the AO segment. On the one hand, more and more sophisticated and expensive vehicles are produced, primarily electric ones, which are more susceptible to damage and whose repair is more expensive, while on the other hand, we have an evident jump in the price of used vehicles on the market, which are the benchmark for determining vehicle damage compensation, explains Dusko Jovanovic, secretary general of the Association of Insurers of Serbia. He added that throughout the last eight years since the last price adjustment, inflation, measured by the Consumer Price Index, has been recorded at 20.68%. On the other hand, in 2019 there was a change in the bonus/malus system in part of the bonus increase, from 10 to 15 for the second and from 15 to 25% discount for the first premium group. In addition, the market will have to deal with the further increase in the limit for compensation of damages prescribed by the Law on Compulsory Traffic Insurance.

On its side, the National Bank of Serbia (NBS) has sent a letter to all insurance companies that unjustifiably increased the auto liability insurance premium, inviting them to return the premium to the previous level as soon as possible, a press release of the institution reads, mentioning that, within the framework of its supervisory powers, the NBS will initiate supervisory procedures against those insurance companies that continue to charge unreasonably increased premiums and will take all necessary measures to protect the rights and interests of policyholders, with the application of supervisory measures and other sanctions against the insurance company. At the same time, it expects insurance companies to refund the additional premiums cashed and inform policyholders without delay about the deadline and the manner in which they will proceed.

(A.V.)

## Serbia

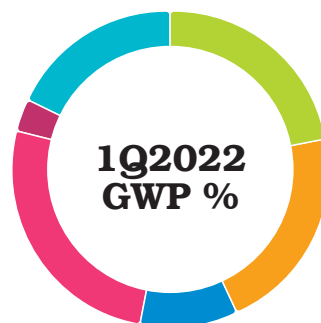
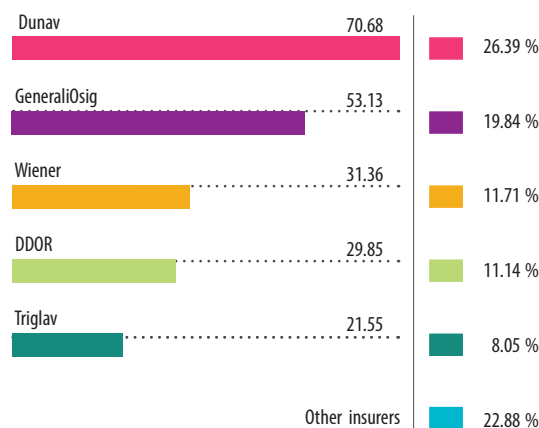
### Full market rankings per company & per class

MSEcel format \* in EUR and local currency

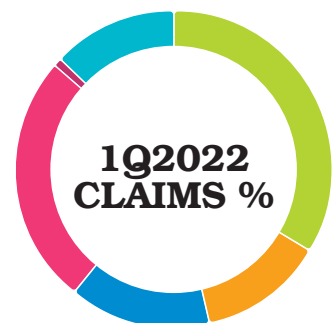
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### TOP 5 Total market (GWP, EUR million)



Life	22.01
Property	21.19
Motor Hull	9.93
MTPL	25.97
GTPL	3.21
Other	17.67



Life	33.76
Property	12.65
Motor Hull	14.60
MTPL	25.62
GTPL	0.81
Other	12.56

# Slovakia



S&P Rating  
**A+, NEGATIVE**

Moody's rating  
**A2, STABLE**

Fitch Rating  
**A, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> National Bank of Slovakia

<sup>3</sup> XPRIMM calculations



## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	84.44	89.43	94.05	92.08	97.12
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	15,536	16,430	17,255	16,871	17,789
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	8.05	6.54	5.72	6.65	6.78
<b>Population</b>	Millions <sup>1</sup>	5.44	5.44	5.45	5.46	5.46
<b>Gross written premiums</b>	EUR million <sup>2</sup>	2,167.40	2,246.93	2,284.04	2,223.61	1,847.73
<b>Paid claims</b>	EUR million <sup>2</sup>	1,200.13	1,324.58	1,415.17	1,262.68	1,022.17
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.57%	2.51%	2.43%	2.41%	1.90%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	398.79	412.81	419.09	407.40	338.41

According to the 2022 H1 - Accounting balance sheet published by the National Bank of Slovakia, the net profits of local insurers amounted to EUR 89.92 million, which was a 21% decrease as compared to 30 June 2021 (EUR 114.74 million).

Technical result in life insurance was EUR 147.20 million vs. EUR -52.49 million in H1 2021), while the same indicator calculated for the non-life insurance segment was down by more than 13% y-o-y to EUR 47.50 million (vs. EUR 54.84 million).

According to the half-year figures published by SLASPO (Slovak Insurance Association), at the end of June 2022, total GWP from the members of the association totaled EUR 1.31 billion, up by 4.39% y-o-y. Premiums written in life insurance increased by 1.47% y-o-y to EUR 524.34 million, while non-life segment was up by 6.43% y-o-y to EUR 787.56 million.

It is worth noting that SLASPO's figures includes the results of a lot of EU branches as Generali Poistovňa, UNIQA pojišťovna,

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	1,311.89	1,256.71	4.39	100.00	100.00
<b>TOTAL LIFE, of wich:</b>	524.34	516.72	1.47	39.97	41.12
Health + Annuities	63.95	72.25	-11.49	4.87	5.75
Insurance with profit participation	183.99	192.79	-4.57	14.02	15.34
Index-linked and unit-linked insurance	146.48	137.88	6.24	11.17	10.97
Other life insurance + Annuities	126.72	110.83	14.34	9.66	8.82
Life reinsurance obligations	3.20	2.96	8.13	0.24	0.24
<b>TOTAL NON-LIFE, of wich:</b>	787.56	739.99	6.43	60.03	58.88
Health in NL	97.23	80.66	20.54	7.41	6.42
Motor vehicle liability insurance	216.68	211.73	2.34	16.52	16.85
Other motor insurance	214.95	200.23	7.35	16.39	15.93
Fire and other damage to property insurance	184.48	178.45	3.38	14.06	14.20
Other	74.22	68.92	7.69	5.66	5.48

Slovak currency: EURO

Insurers' net profits decreased to ~EUR 90 million

SLASPO insurers' business increased to EUR 1.31 billion

Local insurers' business – close to EUR 1 billion





Life	39.97
Property	14.06
Motor Hull	16.39
MTPL	16.52
Other	13.07

MetLife Europe d. a. c., Youplus Insurance International AG, Groupama poisťovňa, a. s., - which have generated together GWP worth EUR 160.5 million on life segment and EUR 205.5 million – non-life.

Thus, excluding EU branches' figures, local insurance market totaled at the end of June 2022 about ~EUR 945 million (direct business), while gross claims paid by insurers were about ~EUR 525 million, according to the 2022 H1 - Accounting balance sheet released by NBS.

In terms of GWP, the largest life insurers in the country were KOOPERATIVA VIG (EUR 156.96 million), Allianz-Slovenska (EUR 97.09 million) and Generali Poistovna (EUR 60.80 million). It is worth mention the fact that the same three insurers lead the non-life insurance segments: Allianz-Slovenska (EUR 244.07 million), KOOPERATIVA VIG (EUR 172.25 million) and Generali Poistovna (EUR 104.30 million).

(A.V.)

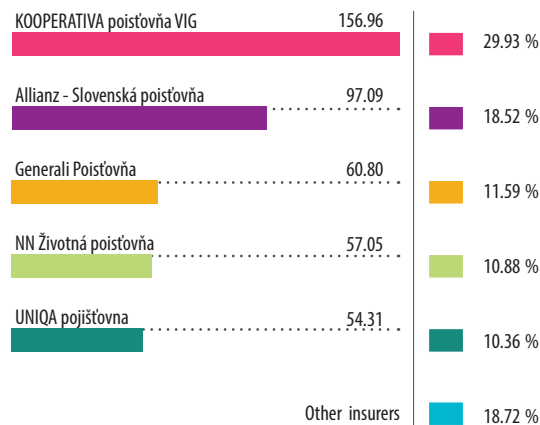
## Slovakia

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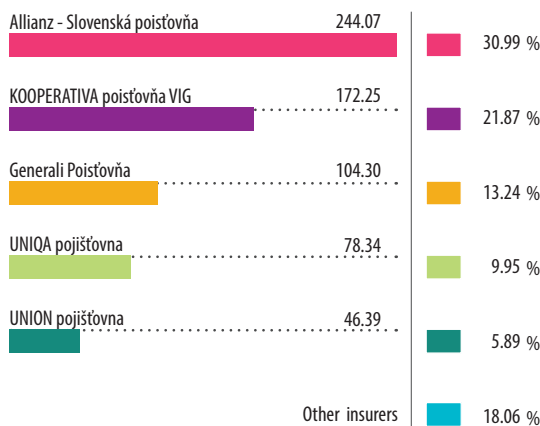


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### TOP 5 Life insurance (GWP, EUR million)



### Top 5 Non-life insurance (GWP, EUR m)



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CEE, SEE & ex-USSR since 2009



# Slovenia



S&P Rating  
**AA-, STABLE**

Moody's rating  
**A3, STABLE**

Fitch Rating  
**A, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Slovenian Insurance Association

<sup>3</sup> XPRIMM calculations

Non-life insurance was the market's absolute trend setter, providing almost entirely for the market growth in absolute terms

Paid claims went up by about 11,67%, to EUR 906 million, mostly driven by the health insurance line

Mother companies of the TRIGLAV and SAVA Re groups are the market leaders, both groups ending the first half of the year with positive results, their financial strength rates being affirmed to "A" by the main rating agencies

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	43.01	45.86	48.40	46.92	52.02
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	20,820	22,190	23,258	22,386	24,666
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	6.60	5.16	4.47	5.01	4.73
<b>Population</b>	Millions <sup>1</sup>	2.07	2.07	2.08	2.10	2.11
<b>Gross written premiums</b>	EUR million <sup>2</sup>	2,179.29	2,341.12	2,517.35	2,569.57	2,609.19
<b>Paid claims</b>	EUR million <sup>2</sup>	1,496.97	1,579.45	1,643.04	1,617.23	1,632.22
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	5.07%	5.10%	5.20%	5.48%	5.02%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	1,054.83	1,132.62	1,209.68	1,225.94	1,237.17

Slovenian insurers reported GWP up by 4.62% y-o-y in 1H2022, to EUR 1.48 billion. The absolute trend setter was the non-life segment which saw a 6.3% GWP growth rate, to EUR 1.08 billion, while the life insurance segment remained, overall, at the 1H2021 GWP level, of EUR 393.6 million. Yet, one should notice that the Unit-Linked products line was the one which, by recording a 7.6% premiums growth, has offset the negative trend seen on the traditional life insurance lines. Paid claims went up by about 11,67%, to EUR 906 million, mostly driven by the health insurance line.

On the non-life insurance side, property insurance - in particular the "damages to

property" LoB -, and the motor insurance lines - especially the Motor Hull one -, provided for the largest contributions to the GWP increase.

*The insurance sector as a whole operates stably and meets all requirements regarding capital adequacy itself. According to the share of the insurance premium in the gross domestic product - which amounts to five percent - last year, Slovenia ranked sixteenth among the countries for which OECD data is published, emphasized the director of the Insurance Supervision Agency (AZN), Gorazd Čibej. According to him, based on these data, the Slovenian insurance market is classified as a medium-developed one. Slovenia's largest insurers in terms of GWP*

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	1,478.46	1,413.19	4.62	906.00	811.35	11.67	100.00	100.00
<b>TOTAL LIFE</b>	393.60	392.64	0.25	282.89	279.84	1.09	26.62	27.78
Life assurance	106.23	109.49	-2.98	105.11	117.05	-10.20	7.19	7.75
Unit-linked	153.90	143.02	7.61	103.98	89.09	16.71	10.41	10.12
Other life insurance	0.05	0.06	-20.95	0.21	0.22	-1.86	0.00	0.00
Pension Funds	133.42	140.58	-5.09	73.58	73.59	-0.01	9.02	9.91
<b>TOTAL NON-LIFE</b>	1,084.86	1,020.55	6.30	623.11	531.51	17.23	73.38	72.22
Accident insurance	56.66	54.76	3.48	17.27	16.74	3.18	3.83	3.87
Health insurance	337.84	329.97	2.39	300.11	261.82	14.63	22.85	23.35
<b>Overall property insurance</b>	198.60	187.08	6.16	72.99	53.55	36.31	13.43	13.24
Fire and allied perils	82.65	83.56	-1.09	44.96	28.68	56.77	5.59	5.91
Damages to property	115.95	103.52	12.00	28.03	24.87	12.71	7.84	7.33
<b>Overall motor insurance</b>	361.44	337.02	7.25	198.32	167.07	18.70	24.45	23.85
Motor Hull	204.29	188.31	8.48	110.46	91.29	20.99	13.82	13.33
MTPL	157.16	148.71	5.68	87.86	75.78	15.93	10.63	10.52
Goods in transit	4.78	4.79	-0.32	1.10	1.19	-7.20	0.32	0.34
Railway, air & water transport	11.97	5.14	132.71	1.27	0.98	28.98	0.81	0.36
GTPL	57.85	52.79	9.58	9.62	10.81	-10.96	3.91	3.74
Carriers' liability	2.19	2.37	-7.90	0.21	0.11	87.12	0.15	0.17
Credit insurance	17.66	14.85	18.94	5.67	5.24	8.33	1.19	1.05
Suretyship	1.75	1.58	10.69	0.21	0.64	-67.11	0.12	0.11
Financial loss	5.35	4.38	22.04	1.14	1.78	-36.09	0.36	0.31
Legal expenses insurance	2.72	2.54	7.00	0.50	0.41	21.95	0.18	0.18
Travel insurance	26.05	23.26	11.97	14.70	11.17	31.57	1.76	1.65

Slovenian currency: EURO



Gorazd ČIBEJ  
Director, Insurance  
Supervision Agency  
(AZN)

were Zavarovalnica TRIGLAV with a 28.9% market share (EUR 426.95 million), followed by Zavarovalnica Sava (17.63% market share, EUR 260.7 million) and Generali zavarovalnica (16.77% market share, EUR 247.9 million).

The first half of the year was a good one also for the two flagships of the Slovenian market:

» Sava Insurance Group generated a net profit of EUR 28.9 million in 1H2022, which is 48.2% of the annual target. The Group achieved operating revenue of EUR 364.2 million, representing 52.0% of the full-year target, the Group announced. Net profit decreased by one-third compared to the same period in 2021. This decline was expected and is mainly due to the frequency of motor claims returning to the pre-pandemic level, and high levels of inflation causing significant increases in the cost of settling claims, with higher provisions for future claims. In addition, the Group suffered large weather-related losses and other major claims. However, compared to the pre-pandemic and pre-inflation year 2019, the half-year net profit grew by 28.2%, showing the strength of the Group in this challenging financial and geopolitical environment.

» The Triglav Group generated profit before tax of EUR 57.5 million, up by 2% relative to last year. The majority of the profit, i.e. EUR 53.3 million, which stems from underwriting activities, rose by 9%. Profit from financial investments was negative (EUR -4.1 million), whereas profit from non-insurance operations grew to EUR 8.3 million (compared to EUR 3.5 million in H1 2021). The Group's total revenue increased by 11% to EUR 861.2 million year-on-year, of which gross written premium (EUR 797.2 million) rose by 9%.

Both groups' financial strength ratings were affirmed to A, with a stable outlook by the main rating agencies.

(D.G.)

# Slovenia

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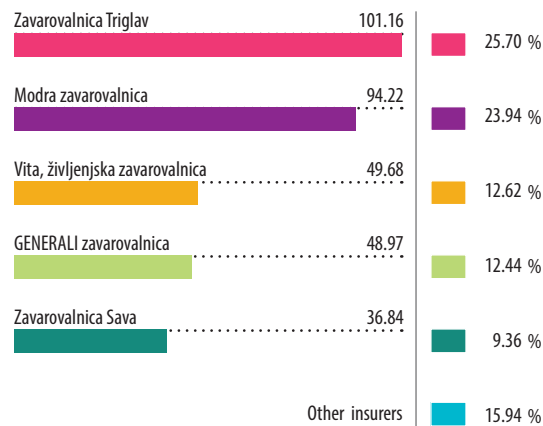
Full market rankings per company & per class

MSEcel format

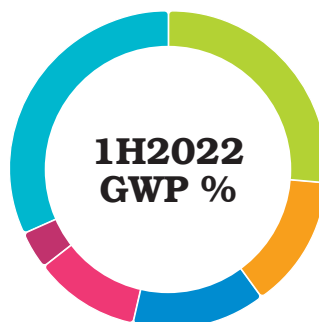
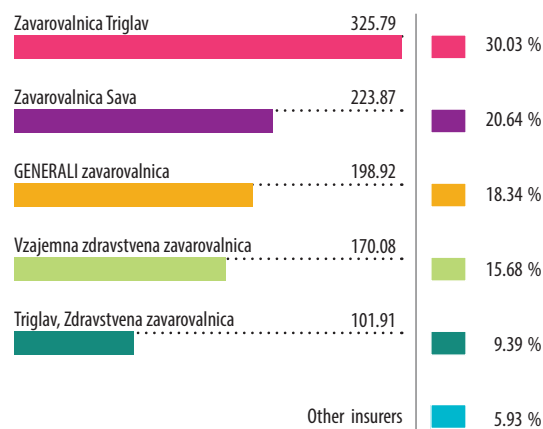
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## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	26.62
Property	13.43
Motor Hull	13.82
MTPL	10.63
GTPL	3.91
Other	31.58



Life	31.22
Property	8.06
Motor Hull	12.19
MTPL	9.70
GTPL	1.06
Other	37.77

## POLAND: new liquidation of motor insurance claims rules may trigger raising claims costs in MTPL

The new recommendations of the Polish Financial Supervision Authority (KNF), concerning the liquidation of motor insurance claims, which will come into force on November 1, 2022 may have a significant contribution to drive inflation in vehicle claims covered by MTPL insurance up to 19-27% in Q1 2023, analyst quoted by Gazeta Ubezpieczeniowa believe.

The new recommendations issued by KNF in July 2022 will replace the standard set in 2014. They might result in an increase of the compensations paid.

Published on 29 September 2022

## RVS: Reinsurers expect a challenging renewal season for January 2023

While this year's edition of the Rendez-Vous de Septembre in Monte Carlo seems dominated by a cautious optimism with regard to the future development of the reinsurance business, there are a few issues that reinsurers find challenging for the near future.

High inflation was mentioned as reason for concern by most reinsurers, as well as the rating agencies. Strongly driven by the supply chains crisis, inflation rates started increasing by mid-2021 and most likely, the trend will continue. This will make underwriting more difficult at the forthcoming renewal, especially for multi-annual risks.

Published on 15 September 2022

## Global insured losses from NatCat in H1 2022 at USD 35 billion, 22% above the 10Y average

While this year's edition of the Rendez-Vous de Septembre in Monte Carlo seems dominated by a cautious optimism with regard to the future development of the reinsurance business, there are a few issues that reinsurers find challenging for the near future.

High inflation was mentioned as reason for concern by most reinsurers, as well as the rating agencies. Strongly driven by the supply chains crisis, inflation rates started increasing by mid-2021 and most likely, the trend will continue. This will make underwriting more difficult at the forthcoming renewal, especially for multi-annual risks.

Published on 25 August 2022

## The Geneva Association: Anchoring Climate Change Risk Assessment in Core Business Decisions in Insurance

The Geneva Association has released a report titled "Anchoring Climate Change Risk Assessment in Core Business Decisions in Insurance", featuring business use cases and new insights into regulatory priorities to offer re/insurers guidance on implementing climate change risk assessment to produce decision-relevant information.

This is the third report released by The Geneva Association Task Force on Climate Change Risk Assessment. Since the 2021 publication of the first two reports, the context in which re/insurers are able to assess the impact of climate change-related risks and opportunities on their business models has further evolved.

Published on 13 September 2022

## UKRAINE: electronic Green Card policy to be launched in Ukraine from September 1

Insurers - full members of the MTIBU, who have the right to conclude international Green Card insurance contracts, will offer car owners an opportunity to conclude such contracts in electronic form from September 1, according to a press release from the MTIBU. The procedure for issuing an electronic Green Card will be similar to issuance of an internal electronic MTPL policy. Like the domestic MTPL policy, the Green Card international insurance contract can be concluded either in paper or in electronic form at the choice of the insured.

Published on 24 August 2022



## MOODY'S: Natural catastrophes and volatile markets weigh heavily on H1 results of the Big Four of the European reinsurance

The four largest European reinsurers - Munich Re, Swiss Re, Hannover Re and SCOR - reported a 47% decline in combined net profits for the first 1H 2022, reflecting high natural catastrophe (nat cat) claims and weaker investment returns. While reinsurance policies have renewed at substantially higher prices this year, claims inflation has partly offset the gains, Moody's said in its latest report. ([link to download](#))

Positively, COVID-19 related life reinsurance claims are diminishing, and rising interest rates will support investment returns over time. While falling bond and equity prices resulted in a significant decline in reported shareholders' equity, capital adequacy remains very strong, confirming the cohort's capacity to absorbing future shocks.

Published on 25 August 2022

## VIG: strong results in 1H and expecting a positive operating performance for the year-end

Austria based Vienna Insurance Group (VIG) ended the first half of 2022 with strong premium and profit growth and very good combined ratio: while GWP went up by 11.6% to EUR 6.44 billion, the profit before taxes increased by 10.3% to EUR 277.3 million, supported by the improving technical indicators.

*We still experience very challenging times, marked primarily by the war in Ukraine, high inflation and the pandemic, which is still making its effects felt. Although these influences - which also have an impact on the insurance industry - are clouding the economic outlook, VIG Group continues to show very strong resilience, which is once again manifested in improved key figures. The success of our Group is built on a long-term oriented and broadly diversified business model, which shows its strengths especially in particularly challenging periods. The half-year results make us confident that we will achieve a positive operating performance in 2022,* explains CEO Elisabeth Stadler.

Published on 18 August 2022

## EIOPA Conference 2022: insurers are vital to help individuals and businesses facing the challenging times

EIOPA's annual conference in 2022 took place on 21 June at a time marked by high levels of uncertainty for the European economy and for consumers. Few periods over the past decades have presented so many challenges at once and manifested so clearly that far reaching transformations are afoot.

Geopolitical tensions, the lingering effects of a devastating pandemic that has disrupted our societies and economic structures, the risks and opportunities of a rapidly digitalizing world and a climate change crisis whose effects through heat waves and flash floods are becoming more tangible are all muddling the outlook.

Published on 30 June 2022

## VIG successfully invests half a billion euro in green and social projects

Within the first year of the EUR 500 million Senior Sustainability Bond, being issued in March 2021, Austrian insurer Vienna Insurance Group (VIG) informed it was able to allocate 100% of the bond's net proceeds to green and social projects.

*We, as VIG Group, want to achieve a sustainably positive environmental and social impact with our investments. We demonstrate this clearly with our Sustainability Bond: Green projects account for 80% of the net proceeds from the issue, and social projects for 20%,* explains CEO Elisabeth STADLER.

Published on 11 April 2022

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# Cyprus



S&P Rating  
**BBB-, POSITIVE**

Moody's rating  
**BA1, STABLE**

Fitch Rating  
**BBB-, STABLE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Insurance Association of Cyprus Annual Reports

<sup>3</sup> XPRIMM calculations

🌟 Insurers' business increased to EUR 274 million at the end of March

🌟 Life business posted high growth rates in terms of GWP and claims

🌟 The largest life insurer in the country was EUROLIFE (28.0% market share), while the non-life field was led by CNP ASFALISTIKI (11%)

## Cyprus

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## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	20.25	21.61	23.01	21.62	23.35
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	23,684	25,008	26,270	24,344	26,063
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	11.05	8.35	7.08	7.58	7.48
<b>Population</b>	Millions <sup>1</sup>	0.86	0.86	0.88	0.89	0.90
<b>Gross written premiums</b>	EUR million <sup>2</sup>	814.67	860.29	892.06	917.14	961.92
<b>Paid claims</b>	EUR million <sup>2</sup>	486.25	481.93	497.75	477.35	428.26
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	4.02%	3.98%	3.88%	4.24%	4.12%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	952.83	995.70	1,018.33	1,032.82	1,073.57

The first months of 2022 were characterized by adverse conditions brought by COVID-19, conditions which, after 2 pandemic years, created and accelerated opportunities, investments and upgrades for the local insurance industry, realities, which can be observed in the evolution of local insurance market.

According to the most recent market figures published by the Insurance Association of Cyprus – IAC, the insurance market of Cyprus totaled EUR 273.6 million at the end of Q1 2022, up by 12.8% y-o-y. GWP from non-life insurance lines totaled EUR 134.5 million (up by 2.1% y-o-y), while the life insurance segment generated premiums of EUR 139.1 million, or 25.5% more y-o-y. The value of gross claims

incurred (payments and reserves summed-up) increased by 11% y-o-y to EUR 115 million, of which EUR 58.8 million - life indemnities (+14% y-o-y), while non-life claims expanded by 7.6% y-o-y to EUR 56.3 million.

The largest life insurer in the country was EUROLIFE (28.0% market share), while the non-life field was led by CNP ASFALISTIKI (11%). It is worth mention, there are 29 insurance company members of IAC, accounting for about 98% of the annual gross premiums written in the domestic market.

Despite the positive results of the insurance market, this is not sufficient in Cyprus, according to the President of

## Market portfolio at March 31<sup>st</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS**			Weight in all GWP	
	1Q2022	1Q2021	Change	1Q2022	1Q2021	Change	1Q2022	1Q2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	273.64	242.65	12.77	115.09	103.76	10.92	100.00	100.00
<b>TOTAL LIFE</b>	139.10	110.86	25.47	58.82	51.45	14.34	50.83	45.69
<b>TOTAL NON-LIFE</b>	134.53	131.79	2.09	56.27	52.32	7.56	49.17	54.31
Accident & health*	34.72	35.83	-3.10	13.25	17.77	-25.46	12.69	14.77
Motor	49.69	49.33	0.73	30.73	23.99	28.09	18.16	20.33
MAT	0.79	0.63	25.25	0.12	0.13	-6.74	0.29	0.26
Fire	29.68	28.49	4.15	8.36	6.01	39.21	10.84	11.74
Liability	18.67	16.61	12.44	3.72	5.24	-29.00	6.82	6.84
Credit	0.04	0.04	1.27	-0.05	-0.00	1,338	0.01	0.01
Miscellaneous	0.96	0.86	10.71	0.13	-0.83	-115.40	0.35	0.36

\* Including A&H premiums by Life Companies

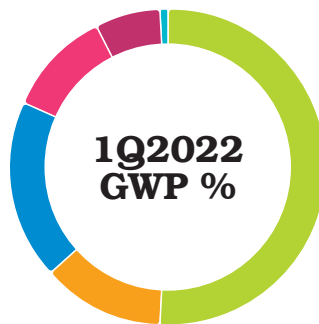
\*\* gross claims incurred

Cyprus currency: EURO

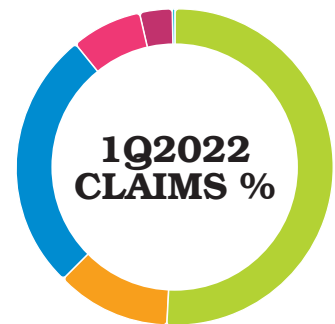
IAC, Andreas STYLIANOU. Cyprus is one of the countries with the lowest penetration of insurance, especially in terms of property, employer's liability and retirement.

The President of the Association highlighted the fundamental need to strengthen the insurance culture in Cyprus, something that can, as he explained, be achieved through the actions and initiatives of the companies. Insurance awareness will be possible, he added, with the assistance of the State, which he called on to invest in education and training so as to reduce the high levels of financial illiteracy in society.

(A.V.)



Life	50.83
A&H	12.69
Motor	18.16
Fire	10.84
Liability	6.82
Other	0.65



Life	51.11
A&H	11.51
Motor	26.70
Fire	7.27
Liability	3.23
Other	0.18

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# Greece



S&P Rating

**BB+, STABLE**

Moody's rating

**BA3, STABLE**

Fitch Rating

**BB, POSITIVE**



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

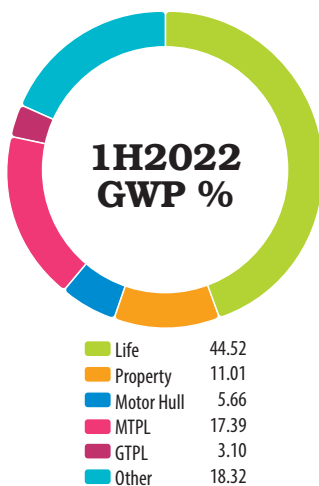
<sup>2</sup> Hellenic Association of Insurance Companies

<sup>3</sup> XPRIMM calculations

Insurance market remained at the end-June 2021 level

NN Group completes the acquisition of MetLife's businesses in Poland and Greece

Insurance claims for the July fires in Attica is estimated at EUR 6 million



## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	EUR billion <sup>1</sup>	176.90	179.56	183.25	165.33	182.83
<b>GDP per capita, current prices</b>	EUR <sup>1</sup>	16,428	16,717	17,087	15,424	17,115
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	21.45	19.30	17.33	16.40	15.00
<b>Population</b>	Millions <sup>1</sup>	10.77	10.74	10.73	10.72	10.68
<b>Gross written premiums</b>	EUR million <sup>2</sup>	3,849.59	3,746.18	4,073.00	3,959.12	4,263.97
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	2.18%	2.09%	2.22%	2.39%	2.33%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	357.50	348.77	379.77	369.36	399.14

Half year premiums underwritten by Greek insurers members of Hellenic Association of Insurance Companies (HAIC) totaled EUR 2.14 billion, up by 0.20% y-o-y according to end-June 2022 preliminary figures.

Non-life insurance segment increased by 7.4% y-o-y to EUR 1.19 billion, of which EUR 373 million - Motor TPL, EUR 236.13 million - property lines, EUR 121.33 million - MoD.

At the same time, the life insurance business line decreases by 7.50% to EUR 955 million - due to negative dynamic reported by traditional life policies (-14.40% to EUR 545 million vs. EUR 636.83 million in H1 2021).

According to HAIC during the fires that broke out in Attica on July 19-20, 2022,

a total of 265 insurance claims were declared, with an initial compensation estimate totaling EUR 5.99 million. Of these, 247 claims related to property insurance (compensation estimate EUR 5.9 million) and 18 car insurance claims (compensation estimate EUR 83,000), wrote privateinsurance.gr.

The market figures published by HAIC include the figures for 52 insurance companies of which 17 were active in life insurance (and accounted for 99.9% of the segment market's full data for 2021) and 45 were active in non-life insurance (94.5% market share).

(A.V.)

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			Weight in all GWP	
	1H2022 EUR m	1H2021 EUR m	Change %	1H2022 %	1H2021 %
<b>TOTAL MARKET</b>	2,144.85	2,140.57	0.20	100.00	100.00
<b>TOTAL LIFE</b>	954.96	1,032.39	-7.50	44.52	48.23
Life insurance	545.13	636.83	-14.40	25.42	29.75
Life insurance linked to investment funds	290.42	284.45	2.10	13.54	13.29
Other	119.41	111.11	7.50	5.57	5.19
<b>TOTAL NON-LIFE</b>	1,189.88	1,107.90	7.40	55.48	51.76
Accident	25.12	24.77	1.40	1.17	1.16
Sickness	182.86	166.09	10.10	8.53	7.76
<b>Overall motor insurance</b>	494.41	481.98	2.60	23.05	22.52
MTPL	373.08	365.76	2.00	17.39	17.09
Motor hull	121.33	116.22	4.40	5.66	5.43
<b>Overall property insurance</b>	236.13	216.08	9.30	11.01	10.09
Fire and natural forces	159.58	158.79	0.50	7.44	7.42
Other damage to property	76.55	57.29	33.60	3.57	2.68
GTPL	66.41	57.25	16.00	3.10	2.67
Assistance	67.09	62.53	7.30	3.13	2.92
Other	117.86	99.20	18.80	5.50	4.63

\*1H2021 figures were determined by using the y-o-y growth rates published by HAIC.

Greek currency: EURO



# Türkiye



S&P Rating

**B+ , STABLE**

Moody's rating

**B2, NEGATIVE**

Fitch Rating

**B, STABLE**


Sources:


<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Central Bank of the Republic of Türkiye

<sup>3</sup> Insurance Association of Türkiye

<sup>4</sup> XPRIMM calculations

 Skyrocketing inflation has a strong impact both on the premiums and paid claims sides, requiring additional efforts for preserving the market sustainability

 MTPL is still the business line with the largest share in the market portfolio, of almost 22% of the total GWP, as well as LoB the suffered the most under the current economic situation because of the imbalance between the claims inflation and the capped tariffs

## Market's main indicators-timeline

		2017	2018	2019	2020	2021
GDP, current prices	TRY billion <sup>1</sup>	3,133.70	3,758.77	4,317.79	5,046.88	7,153.88
	EUR billion <sup>4</sup>	692.73	620.98	646.95	552.60	473.33
GDP per capita, current prices	TRY <sup>1</sup>	38,778	45,836	51,925	60,359	84,481
	EUR <sup>4</sup>	8,572	7,573	7,780	6,609	5,590
Unemployment rate	% of total labor force <sup>1</sup>	10.92	10.91	13.73	13.15	11.96
Population	Millions <sup>1</sup>	80.81	82.00	83.16	83.61	84.68
TRY/EUR exchange rate	End of period <sup>2</sup>	4.5237	6.0530	6.6741	9.1329	15.1139
Gross written premiums	TRY million <sup>3</sup>	46,554.69	54,656.03	69,242.17	82,575.66	105,307.01
	EUR million <sup>4</sup>	10,291.29	9,029.58	10,374.76	9,041.56	6,967.56
Paid claims	TRY million <sup>3</sup>	21,710.10	26,821.91	32,387.66	33,024.41	47,183.38
	EUR million <sup>4</sup>	4,799.19	4,431.18	4,852.74	3,615.98	3,121.85
Insurance penetration degree	% in GDP <sup>4</sup>	1.49%	1.45%	1.60%	1.64%	1.47%
Insurance density	EUR/capita <sup>4</sup>	127.35	110.11	124.76	108.13	82.28

The Turkish insurance market ended the first half of the year with GWP of TRY 91 billion (EUR 5.2 billion), data provided by the Insurance Association of Türkiye showed, demonstrating a staggering growth rate of 93% in local currency. Yet, considering the record high Consumer Price Index, as per June 2022, of 78.6% y-o-y, the real growth is by far lower, of about 8% y-o-y. Moreover, denominated in European currency, due the depreciation of TRY from 1 EUR = 10.3435 TRY (June 30th, 2021) to 1 EUR = 17.4014 TRY (June 30th, 2022) the market results show a GWP y-o-y growth rate of 14.85%. Commenting on the impact of the unprecedented high inflation, Mehmet Akif EROĞLU, Chairman of SEDDK - Insurance and Private Pension Regulation and Supervision Authority said that *the main inflation impact will show in rising claims costs. Besides, in motor, claims costs have risen as shortages of parts have kept the prices of new and used vehicles high level. Motor liability as well as accident and general liability business will also be impacted, with high inflation feeding through into bodily injury claims. In construction, supply disruptions and labor shortages have led to an increase in repair and rebuilding costs and return higher claims. In addition to the effects on the claim side, we are expecting and observing the effects on the premium side as well. In the non-life sector, premium growth will boost due to the inflation, but in real terms we expect to see a reduction in premium income.* In other word, despite the apparent record

market growth observed at the first sight, inflation is a double-faced coin, with a significant negative impact and no analysis may ignore its impact.

Life premiums increased by 73% y-o-y to TRY 13.2 billion, while indemnities went up y-o-y by 45%, to TRY 3.15 billion. In fact, in real terms, the life segment recorded a negative trend, reflecting the erosion of customers' disposable income, weakening both their ability to buy insurance and save.

Non-life premiums increased by 97% on the year to TRY 77.7 billion, but paid claims also increased at a record high pace, of 95.7%, to TRY 34.7 billion.

MTPL is still the business line with the largest share in the market portfolio, of almost 22% of the total GWP. During 1H, gross written premiums for this line reached TRY 19.82 billion, 96% up y-o-y. Yet, paid claims went up even at a higher pace, almost doubling y-o-y. However, other than being the non-life sector's largest business line by GWP, MTPL insurance is still "the main drag on the sector's underwriting performance", as in all recent years, as a recent analysis by Fitch underlines. *The price caps remove insurers' ability to charge enough for the risk they are taking, forcing them to underwrite MTPL policies at a loss. High inflation will exacerbate this problem, and we do not expect MTPL pricing to be liberalized in the near future*, Fitch said. To ensure the sustainability of the system in compulsory



Mehmet Akif  
EROĞLU  
Chairman of SEDDK

traffic insurance by taking into account the loss-premium balance, the Insurance and Private Pensions Regulation and Supervision Agency (SEDDK) updated the tariff. The maximum tariff's value, in use since 2017, was updated taking into consideration the in minimum wage, damage costs and labor fees. The coefficient rate, which changes every month according to the traffic risk of 81 provinces, has been increased from 2.25% to 4.75% per month as of September 1, 2022. The bonus-malus system's features were also revised "in a way that will continue to make the distinction between good driver and bad driver possible, taking into account the cost of damage and sustainable pricing," SEDDK said. In addition, instead of a fixed rate, special increase rates were determined for various vehicle groups and changing usage types, taking into account the differences in damage behavior in the light of the incoming data, and a sustainable pricing was enabled in this context.

*With the new regulation, SEDDK has also implemented different measures for insurance companies that avoid regulating the compulsory traffic insurance for motor vehicle owners. In this context, the Authority will be able to suspend the policy of these companies for issuing and renewing policies for the specified insurance branches or all branches for 3 to 30 days, and if the avoidance continues, this period may be doubled, the market authority announced on its website.*

Mehmet Akif Eroğlu explained: "As SEDDK, we have closely monitored the developments in the traffic branch in recent days, in line with our top priority target. Every move in traffic insurance, which concerns approximately 25% of the insurance sector's balance sheet, affects the profitability of the consolidated balance sheet. As the regulatory and supervisory institution, we are in contact with industry

players and all stakeholders in such an important insurance product, which is obligatory and closely related to 25 million vehicle owners.

Remaining in the motor insurance sector, the Motor Hull line saw a much better evolution: GWP went up by 147%, to TRY 14.73 billion, while paid claims increased by 120%, to TRY 8 billion.

On the property insurance side, while GWP for "Fire and allied perils" insurance, including the mandatory earthquake insurance, went up by 77.7%, to TRY 10.96 billion, paid claims reached TRY 3.46 billion, up by 109% y-o-y. The damages to property line saw a more balanced evolution, with GWP going up by 83%, to TRY 10.62 billion and paid claims increasing by almost 67%, to TRY 1.87 billion. According to the TCIP's (Turkish Catastrophe Insurance Pool) statistics, by the end of September there were 8.156 million policies sold, worth TRY 1.61 billion

in GWP. The average insurance coverage degree stood at 54%, with a peak of over 62% in the Marmara region, where the exposure is higher. Throughout 2022, TCIP has paid compensations worth TRY 9.77 billion, following 69 earthquake events.

Wildfires and floods, which are considered as secondary catastrophic perils in Türkiye are recently gaining more weight in local insurance, their impact on the agricultural insurance in particular increasing. Only compensation paid to farmers for crops affected by draught totaled up to this moment TRY 366 million, for insurance policies accounting for GWP worth TRY 72 million. *Due to the effects of global climate change, we feel and experience the increases in the frequency and severity of natural disasters and risks more. There is an increase in damage to agricultural production. This situation raises awareness towards agricultural insurance. Our farmers became conscious about insurance. When we*

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	5,226.55	4,553.81	14.77	2,174.90	1,924.11	13.03	100.00	100.00
<b>TOTAL LIFE</b>	762.08	743.04	2.56	181.53	210.55	-13.78	14.58	16.32
<b>TOTAL NON-LIFE</b>	4,464.47	3,810.77	17.15	1,993.38	1,713.56	16.33	85.42	83.68
Accident	103.28	103.47	-0.19	9.03	10.80	-16.42	1.98	2.27
Health	694.84	621.10	11.87	374.25	348.20	7.48	13.29	13.64
Aviation hull	15.01	12.67	18.48	2.54	20.90	-87.86	0.29	0.28
Ships hull	62.39	45.28	37.78	25.56	16.89	51.32	1.19	0.99
Goods in transit	101.86	78.62	29.55	25.50	23.02	10.77	1.95	1.73
<b>Overall property insurance</b>	1,244.13	1,160.69	7.19	306.94	268.89	14.15	23.80	25.49
Fire and allied perils	630.14	596.48	5.64	199.18	160.21	24.32	12.06	13.10
Damages to property	613.98	564.21	8.82	107.76	108.68	-0.85	11.75	12.39
<b>Overall motor insurance</b>	1,986.02	1,553.64	27.83	1,190.71	967.17	23.11	38.00	34.12
Motor Hull	846.62	576.56	46.84	460.74	350.84	31.33	16.20	12.66
MTPL	1,139.40	977.08	16.61	729.97	616.33	18.44	21.80	21.46
Aviation liability	10.26	8.96	14.52	1.39	4.08	-65.92	0.20	0.20
Marine liability	7.10	4.21	68.68	1.97	0.48	308.86	0.14	0.09
GTPL	149.29	141.24	5.70	32.41	34.68	-6.54	2.86	3.10
Credit	28.89	26.62	8.53	2.85	2.16	32.29	0.55	0.58
Suretyship	6.11	7.26	-15.80	8.86	1.00	785.96	0.12	0.16
Financial losses	36.24	34.80	4.15	11.27	15.18	-25.78	0.69	0.76
Legal expenses	13.27	12.17	9.01	0.08	0.10	-14.21	0.25	0.27
Assistance	5.78	0.03	17,753	-	0.00	-	0.11	0.00

1 EUR = 10.3435 Turkish lira - TRY (June 30<sup>th</sup>, 2021)

1 EUR = 17.4014 Turkish lira - TRY (June 30<sup>th</sup>, 2022)

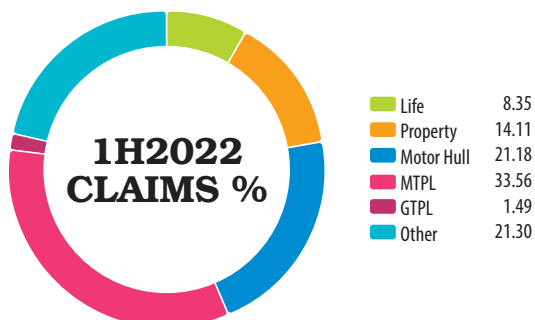
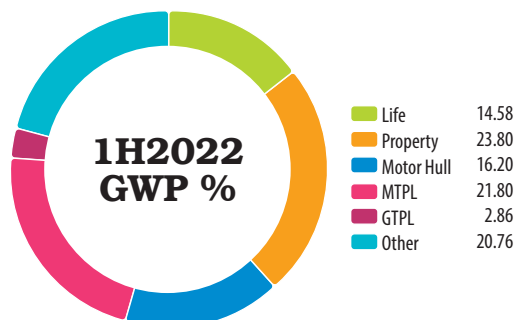


Serpil GÜNAL  
Board Member and  
General Manager of  
TARSİM

look at the data for the first 9 months of this year, we can see this increase, Serpil GÜNAL, Board Member and General Manager of TARSİM, the Agricultural Insurance Pool Management, said. He explained that the value of insured agricultural assets more than doubled y-o-y, accompanied by the corresponding increase in premiums and number of insured farmers. We can say that one third of our registered producers are in the TARSİM System, GÜNAL said.

During the first six months of the year, there were active 63 insurers according to the statistics presented by the Insurance Association of Türkiye. The largest insurers in the country in terms of GWP were Türkiye Sigorta (12.4% market share and GWP worth TRY 11.24 billion, 108% up y-o-y), followed by Anadolu Anonim Türk Sigorta Şirketi (10% market share, GWP of TRY 9.05 billion, up by 88.5% y-o-y) and Allianz Sigorta (9% market share, GWP of TRY 8.18 billion, up by 81.6% y-o-y). While the same companies are making the non-life Top 3, the best placed life insurer in the market ranking, Türkiye Hayat ve Emeklilik ranks 8th in the whole market hierarchy and leads the life insurance top, with a market share of 23.7%.

(D.G.)



# Türkiye

FIND MORE ON [WWW.XPRIMM.COM/TURKIYE](http://WWW.XPRIMM.COM/TURKIYE)

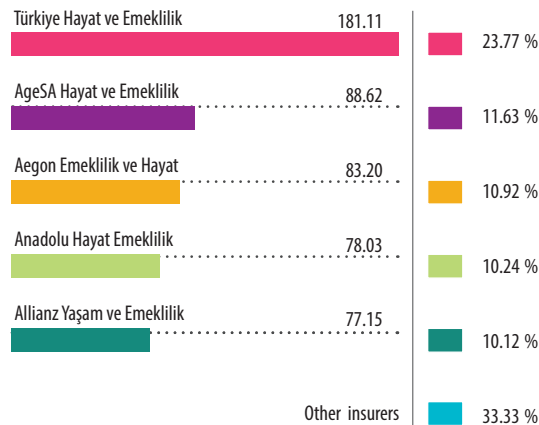
Full market rankings per company & per class

MSEcel format \* in EUR and local currency

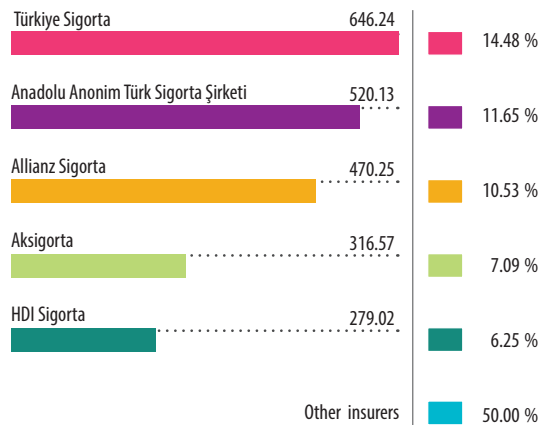
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## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



# Armenia



S&P Rating

**B+, POSITIVE**

Moody's rating

**BA3, NEGATIVE**

Fitch Rating

**B+, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Central Bank of Armenia

<sup>3</sup> ArmInfo News Agency

<sup>4</sup> XPRIMM calculations

🌸 The retail insurance market capacity went up to 23.5% from 7.6% a year earlier, while for the corporate insurance the increase was from 10.9% to 30.1%

🌸 The number of vehicles with MTPL policy in 1H increased more significantly (+12.9%) than in the pre-Covid similar period, which allowed premiums to almost restore the upward trend of three years ago

🌸 MTPL loss ratio in Armenia in 1H decreased to 65% from 81% in the same period of 2021, which is even lower than the pre-Covid level of 73% in 2019

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	AMD billion <sup>1</sup>	5,564.49	6,017.04	6,543.32	6,181.66	6,982.85
	EUR billion <sup>4</sup>	9.59	10.87	12.18	9.64	12.87
<b>GDP per capita, current prices</b>	AMD <sup>1</sup>	1,867,598	2,026,600	2,208,539	2,086,839	2,357,119
	EUR <sup>4</sup>	3,219	3,660	4,111	3,255	4,344
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	17.80	19.00	18.30	18.10	18.50
<b>Population</b>	Millions <sup>1</sup>	2.98	2.97	2.96	2.96	2.96
<b>AMD/EUR exchange rate</b>	End of period <sup>2</sup>	580.10	553.65	537.26	641.11	542.61
<b>Gross written premiums</b>	AMD million <sup>3</sup>	34,948.54	41,016.80	49,133.80	44,548.23	49,383.75
	EUR million <sup>4</sup>	60.25	74.08	91.45	69.49	91.01
<b>Paid claims</b>	AMD million <sup>3</sup>	17,762.65	22,802.42	25,006.06	23,192.41	28,508.65
	EUR million <sup>4</sup>	30.62	41.19	46.54	36.18	52.54
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.63%	0.68%	0.75%	0.72%	0.71%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	20.22	24.95	30.86	23.46	30.73

The insurance sector of Armenia ended 1H2022 with total GWP worth AMD 33.82 billion (EUR 79.87 million), which is 27.30% more y-o-y. Paid claims decreased by about 3% to AMD 13.18 billion (EUR 31.13 million).

The corporate component continues to prevail over the retail one - 58.2% (AMD 19.7 billion) vs 41.8% (AMD 14.1 billion), which is similar to the levels a year ago - 57% and 43% respectively. According to the Financial Rating of Insurance Companies of Armenia, prepared by ArmInfo, the retail insurance market capacity has sharply accelerated growth to 23.5% from 7.6% a year earlier, which was also observed in the dynamics of corporate insurance - from 10.9% to 30.1%.

In the structure of paid claims, the share of payments to retail clients accounted for 64.1% or AMD 8.5 billion, corporate clients - 35.9% or AMD 4.7 billion, vs 63.7% and 36.3%, respectively, a year earlier.

Among the classes, the leading position in terms of the number of concluded contracts belongs to MTPL (the number of valid contracts as of July 1 was 569,271 thousand). Of the voluntary types of insurance, the most popular is accident insurance (as of July 1 - 188,670 thousand), the third position in terms of the number of contracts in force by July 1 is occupied by health insurance (72,569 thousand). The largest growth of contracts concluded in the second quarter was recorded for general liability insurance - by 4.5 times and travel insurance - by 3 times.

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	79.87	45.06	77.24	31.13	23.04	35.12	100.00	100.00
Accidents	2.59	1.73	49.38	0.40	0.14	196.14	3.24	3.85
Health	28.97	16.53	75.20	11.57	6.99	65.66	36.27	36.69
<b>Overall property insurance</b>	10.08	3.68	173.77	0.59	1.42	-58.06	12.62	8.17
Fire and allied perils	9.13	2.91	214.16	0.45	0.55	-18.45	11.43	6.45
Other damages to property	0.95	0.78	22.43	0.15	0.87	-83.22	1.19	1.72
<b>Overall motor insurance</b>	32.50	19.74	64.61	18.25	14.11	29.30	40.69	43.81
Motor Hull	3.54	1.99	77.84	1.20	0.96	25.24	4.43	4.42
MTPL	28.95	17.75	63.13	17.05	13.15	29.59	36.25	39.39
CARGO	1.29	0.84	54.74	0.14	0.02	659.96	1.62	1.85
GTPL	1.44	0.71	103.20	0.04	0.02	115.09	1.80	1.57
Travel	1.03	0.40	157.52	0.13	0.01	1,124.53	1.29	0.89
Other	1.98	1.43	38.08	0.01	0.34	-97.97	2.48	3.18

1 EUR = 589.68 Dram - AMD (June 30<sup>th</sup>, 2021)

1 EUR = 423.54 Dram - AMD (June 30<sup>th</sup>, 2022)



MTPL loss ratio in Armenia in the first half of 2022 decreased to 65% from 81% in the same period of 2021, which is even lower than the pre-Covid level of 73% in 2019. The decrease was due to a 19.7% annual increase in the number of contracts concluded, which led to an increase in premiums. The number of vehicles with MTPL policy in the first half of the year increased more significantly (+12.9%) than in the pre-Covid similar period, which allowed premiums to almost restore the upward trend of three years ago. In quantitative terms, by July 2022, there were already 595,373 such vehicles (vs 546.710 thousand units in 2019).

Total net profit of insurance companies in Armenia in 1H2022 reached AMD 2.3 billion, with an annual growth of 19 times. Moreover, three companies significantly increased their profits, while the remaining three provided significant growth and moved from loss (a year earlier) to profit.

According to the results of the first half of 2022, only three out of six insurance companies entered the list of 1000 largest taxpayers in Armenia - NAIRI Insurance, INGO Armenia and ROSGOSSTRACH Armenia.

Tax payments of insurers in the reporting period decreased by 14% y-o-y to AMD 918.7 million (~EUR 2.17 million). Of this amount, AMD 783.1 million related to direct taxes, which is 16% less than a year ago.

Among insurers, NAIRI Insurance made the most tax payments (AMD 403.3 million), moving up to 296th place (from 414th a year earlier). It is followed by INGO Armenia, which ranked 390th (AMD 305.8 million), while ROSGOSSTRACH Armenia ranked 596th (AMD 209.5 million) in the list of 1000 largest taxpayers.

In May, a decision was made to expand the pilot agricultural insurance program in Armenia so that farmers can insure grain crops, in particular wheat, barley, oats, against the natural risk of drought.

The sale of insurance policies for grain crops was valid until May 31st. It was reported that in the event of a natural risk of drought, 60% of insurance payments are subsidized. Three insurance companies participate in the pilot agricultural insurance program in Armenia: ROSGOSSTRACH, INGO Armenia and Sil Insurance.

(M.M.)

# Armenia

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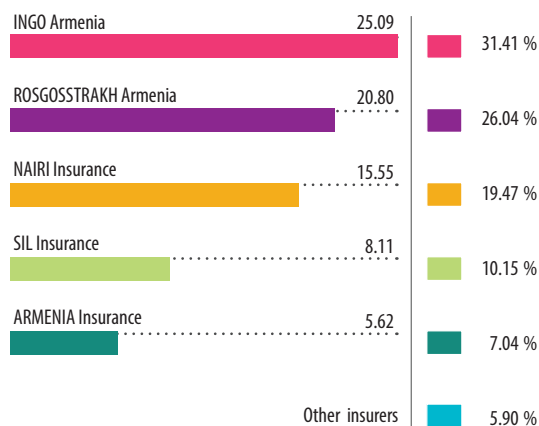
Full market ranking

MSEcel format \* in EUR and local currency

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## Top 5 Total market (GWP, EUR m)



Health	36.27
Property	12.62
Motor Hull	4.43
MTPL	36.25
GTP	1.80
Other	8.62



Health	37.18
Property	1.91
Motor Hull	3.87
MTPL	54.76
GTP	0.12
Other	2.16

# Azerbaijan



S&P Rating

**BB+, STABLE**

Moody's rating

**BA2, POSITIVE**

Fitch Rating

**BB+, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> Central Bank of Azerbaijan Republic

<sup>3</sup> Financial Markets Supervision Authority of the Republic of Azerbaijan (FIMSA)

<sup>4</sup> XPRIMM calculations

Life insurance went up by almost 27% y-o-y, while non-life insurance, on the contrary, decreased by 5%

Travel insurance rebounded significantly (+124%) after most pandemic-related restrictions were lifted, but paid claims also more than doubled y-o-y

The transitional status of the National Green Card Bureau of Azerbaijan was terminated, and the Bureau was accepted as a full member of CoB

Azerbaijan became member of the Turkic World Insurance Union, together with Turkey, Kazakhstan, Uzbekistan, Kyrgyzstan, and Turkmenistan

## Market's main indicators - timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	AZN billion <sup>1</sup>	70.34	80.09	81.90	72.58	92.86
	EUR billion <sup>4</sup>	34.64	41.14	43.02	34.74	48.20
<b>GDP per capita, current prices</b>	AZN <sup>1</sup>	7,170	8,092	8,205	7,209	9,176
	EUR <sup>4</sup>	3,531	4,156	4,310	3,451	4,763
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.96	4.94	4.85	7.16	5.95
<b>Population</b>	Millions <sup>1</sup>	9.81	9.90	9.98	10.07	10.12
<b>AZN/EUR exchange rate</b>	End of period <sup>2</sup>	2.0307	1.9468	1.9035	2.0890	1.9265
<b>Gross written premiums</b>	AZN million <sup>3</sup>	556.87	727.95	681.18	728.63	843.90
	EUR million <sup>4</sup>	274.22	373.92	357.85	348.80	438.05
<b>Paid claims</b>	AZN million <sup>3</sup>	257.11	240.33	301.54	465.15	458.73
	EUR million <sup>4</sup>	126.61	123.45	158.41	222.67	238.11
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.79%	0.91%	0.83%	1.00%	0.91%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	27.95	37.78	35.85	34.65	43.29

In the first half of 2022, the insurance sector of Azerbaijan grew by 8.67% to AZN 491.60 million (EUR 276.63 million). At the same time, paid claims fell by more than 29%, reaching AZN 174.92 million (EUR 98.43 million), according to statistics published by the National Bank.

Life insurance went up by almost 27% y-o-y, while non-life insurance, on the

contrary, decreased by 5%. Many non-life classes recorded a decline in volumes, however, travel insurance rebounded significantly (+124%) after most pandemic-related restrictions were lifted.

Of the 20 active insurers at the end of the first half of 2022, PASHA LIFE (AZN 206.65 million) continues to be the leader in the market, while PASHA Insurance keeps

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	276.63	223.55	23.75	98.43	122.65	-19.75	100.00	100.00
<b>TOTAL LIFE INSURANCE</b>	138.37	95.72	44.56	47.70	69.93	-31.79	50.02	42.82
Voluntary life insurance	115.67	78.41	47.51	46.71	68.94	-32.26	41.81	35.08
Compulsory life insurance*	22.70	17.30	31.21	0.99	0.99	0.29	8.21	7.74
<b>TOTAL NON-LIFE INSURANCE</b>	138.26	127.83	8.16	50.73	52.72	-3.77	49.98	57.18
Accident and diseases (V)	0.69	0.57	20.95	0.08	0.05	68.11	0.25	0.25
Medical insurance (V)	43.95	34.97	25.68	21.04	15.91	32.24	15.89	15.64
Travel insurance (V)	1.04	0.41	154.99	0.10	0.04	132.01	0.38	0.18
Fire and other perils insurance (V)	15.71	14.52	8.16	0.45	1.43	-68.16	5.68	6.50
Aircraft insurance (V)	4.00	2.05	95.51	-	0.56	-100.00	1.45	0.92
Ships insurance (V)	1.60	1.61	-0.36	-	-	-	0.58	0.72
Cargo insurance (V)	1.44	1.31	9.83	0.00	0.04	-92.35	0.52	0.59
Aircraft liability insurance (V)	2.18	1.09	99.39	-	-	-	0.79	0.49
Ships liability insurance (V)	0.05	0.11	-53.09	-	-	-	0.02	0.05
GTPL (V)	4.50	3.95	13.93	0.01	0.01	-43.60	1.63	1.77
Professional liability (V)	0.34	0.42	-18.94	-	-	-	0.12	0.19
<b>Overall motor insurance</b>	38.21	32.40	17.96	28.24	19.51	44.77	13.81	14.49
Motor Hull (V)	10.61	8.95	18.54	4.71	3.59	31.23	3.84	4.00
Motor Vehicle liability (V)	0.34	0.34	0.45	0.02	0.07	-63.27	0.12	0.15
Liability for owners of motor vehicles (M)	27.26	23.11	17.99	23.51	15.85	48.29	9.86	10.34
Immovable property (M)	19.88	15.86	25.35	0.30	0.39	-22.09	7.18	7.09
Other non-life insurance (V)+(M)	4.67	18.57	-74.85	0.50	14.78	-96.63	1.69	8.31
<b>TOTAL VOLUNTARY INSURANCE</b>	206.35	159.39	29.46	73.29	96.13	-23.76	74.59	71.30
<b>TOTAL MANDATORY INSURANCE</b>	70.29	77.39	-9.18	25.14	33.78	-25.58	25.41	34.62

\*compulsory insurance against industrial disability arising out of industrial accidents and occupational illnesses

(V) - Voluntary insurance 1 EUR = 2.0236 Manat - AZN (June 30<sup>th</sup>, 2021)

(M) - Mandatory insurance 1 EUR = 1.7771 Manat - AZN (June 30<sup>th</sup>, 2022)



Azer ALIYEV  
Chairman of the  
Association of  
Insurers of Azerbaijan

ranking second (AZN 120.61 million).

Insurers' paid claims declined significantly in both life and non-life insurance. The decline occurred in many classes, however, in travel insurance, paid claims, on the contrary, jumped by more than 100%.

Life insurance is offered in Azerbaijan with an insurance contract term of 3 years, therefore, in different periods, there is volatility in paid claim amounts for this type of insurance, as Azer ALIYEV, Chairman of the Association of Insurers of Azerbaijan, said, commenting on the reduction of life insurance paid claims for the first four months of 2022. He noted that in the insurance review, covering January-April, there is a decrease in paid claims. Thus, in January-April 2022, life paid claims amounted to AZN 29.1 million, which is AZN 70 million less than for the same period in 2021. *This does not mean that life insurance companies refuse to pay. This decrease, as I already mentioned, is directly related to the specific features of the insurance type that we talked about, and to that the contract term is 3 years. That is, the corresponding reduction does not have any negative impact on either insureds or insurers,* ALIYEV said.

The transitional status of the National Green Card Bureau of Azerbaijan was terminated, and the Bureau was accepted as a full member of CoB, said Rashad AHMADOV, Executive Director at National Green Card Bureau of Azerbaijan and Executive Director at Compulsory Insurance Bureau of Azerbaijan, on social media. The decision was made at the 56th General Assembly of the Council of Bureaux in Belgrade. According to the internal regulations of the Council of Bureaux, the transitional membership period is determined to be 10 years, but thanks to the Azerbaijani Bureau's flawless work, an exception was made to accept it at the end of the 5th year. *I would like to express my gratitude to all the bureaus who have voted in favor of accepting our Bureau as a full member and many thanks to our team*

# Azerbaijan

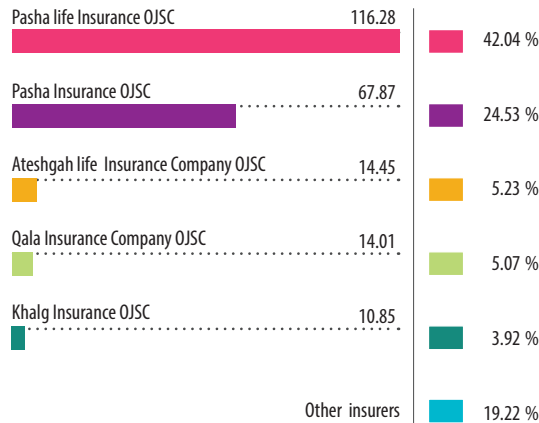
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**Full market ranking**

MSEcel format \* in EUR and local currency

**AVAILABLE FOR XPRIMM.COM PREMIUM AND GOLD SUBSCRIBERS**

## Top 5 Total market (GWP, EUR m)



*who worked tirelessly to make this happen,* Rashad AHMADOV added.

At the meeting of International Insurance Conference in Türkiye's Istanbul on May 24, the Turkic World Insurance Union was established following the agreement signed.

The members of the Union include Insurers Associations of Azerbaijan, Türkiye, Kazakhstan, Uzbekistan, Kyrgyzstan, and Turkmenistan. The Union will join forces for

strengthening insurance sectors of Turkic-speaking countries through exchange of personnel, experience and information between insurance markets, establishment of a unified insurance pool, as well as the formation of reinsurance areas. Creation of the Turkic World Insurance Union was a joint initiative of the Azerbaijan Insurers Association and the Insurance Association of Türkiye.

(M.M.)



Life	50.02
Medical (V)	15.89
Fire & other perils (V)	5.68
GTPL (V)	1.63
Motor Hull (V)	3.84
MTPL (M)	9.86
Immovable property (M)	7.18
Other	5.91



Life	48.46
Medical (V)	21.38
Fire & other perils (V)	0.46
GTPL (V)	0.01
Motor Hull (V)	4.79
MTPL (M)	23.88
Immovable property (M)	0.31
Other	0.72

# Belarus



S&P Rating

**CC, negative watch**

Moody's rating

**CA, NEGATIVE**

Fitch Rating

**RD, N/A**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> National Bank of the Republic of Belarus

<sup>3</sup> Ministry of Finance of the Republic of Belarus

<sup>4</sup> XPRIMM calculations

Part of the 2 March sanctions package, The provision of insurance or re-insurance to the Belarus Government, its public bodies or natural legal persons acting on their behalf or at their direction under pre-25 June 2021 contracts is now prohibited

In April 2022, Green Card offices of the European Economic Zone agreed on ceasing cooperation with Belarus, with a twelve-month notice period that will expire on 31 May 2023

## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	BYN billion <sup>1</sup>	105.75	122.32	134.73	149.72	173.16
	EUR billion <sup>4</sup>	44.90	49.45	57.27	47.26	60.07
<b>GDP per capita, current prices</b>	BYN <sup>1</sup>	11,167	12,947	14,289	15,911	18,519
	EUR <sup>4</sup>	4,741	5,234	6,074	5,022	6,425
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	5.68	4.83	4.19	4.08	3.93
<b>Population</b>	Millions <sup>1</sup>	9.47	9.45	9.43	9.41	9.35
<b>BYN/EUR exchange rate</b>	End of period <sup>2</sup>	2.3553	2.4734	2.3524	3.1680	2.8826
<b>Gross written premiums</b>	BYN million <sup>3</sup>	1,070.13	1,226.04	1,403.42	1,510.20	1,726.57
	EUR million <sup>4</sup>	454.35	495.69	596.59	476.70	598.96
<b>Paid claims</b>	BYN million <sup>3</sup>	535.16	624.75	710.60	814.71	1,065.09
	EUR million <sup>4</sup>	227.21	252.59	302.07	257.17	369.49
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.01%	1.00%	1.04%	1.01%	1.00%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	47.98	52.47	63.27	50.66	64.06

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	343.01	290.11	18.23	228.60	169.65	34.75	100.00	100.00
<b>TOTAL LIFE (V)</b>	45.22	36.53	23.79	42.29	22.98	84.04	13.18	12.59
Life insurance	30.05	23.79	26.31	35.31	19.26	83.33	8.76	8.20
Supplementary pension ins.	15.17	12.74	19.07	6.98	3.72	87.71	4.42	4.39
<b>TOTAL NON-LIFE (V)+(M)</b>	297.79	253.58	17.43	186.31	146.67	27.02	86.82	87.41
<b>VOLUNTARY INS. (V), OF WHICH:</b>	180.58	157.75	14.48	114.84	89.98	27.63	52.65	54.37
Medical expenses insurance	44.18	33.40	32.28	33.34	21.97	51.73	12.88	11.51
Accidents	17.23	12.29	40.17	8.75	12.03	-27.23	5.02	4.24
Property of legal entities	51.66	41.75	23.73	38.55	27.11	42.18	15.06	14.39
Property of individuals	33.01	30.37	8.70	20.40	15.49	31.73	9.62	10.47
Cargo	2.03	1.72	18.28	0.16	0.29	-44.27	0.59	0.59
Business risks	8.97	14.06	-36.20	8.53	9.46	-9.87	2.61	4.85
Construction risks	3.26	5.92	-44.84	0.68	0.19	251.73	0.95	2.04
Liability insurance	12.11	13.14	-7.87	2.45	2.11	15.85	3.53	4.53
Blanket insurance	8.13	5.10	59.48	1.98	1.32	49.78	2.37	1.76
<b>MANDATORY INS. (M), OF WHICH:</b>	117.21	95.84	22.30	71.47	56.69	26.06	34.17	33.03
Real estate property of individuals	5.78	4.34	33.22	1.81	0.99	82.17	1.68	1.49
Ins. with State support of agricultural crops, livestock and poultry	4.95	3.30	49.86	3.25	0.53	509.64	1.44	1.14
Medical ins. for foreign citizens	1.33	1.41	-5.24	0.40	0.34	15.34	0.39	0.49
Accidents at work and occupational diseases	46.13	35.95	28.34	30.20	24.62	22.63	13.45	12.39
Compulsory state insurance	0.31	0.15	107.42	0.20	0.15	32.34	0.09	0.05
MTPL	42.77	39.37	8.63	30.18	25.82	16.90	12.47	13.57
Green Card insurance	13.70	9.51	44.06	5.22	4.06	28.63	3.99	3.28
Carriers' liability	0.82	0.64	27.71	0.20	0.14	41.29	0.24	0.22
Commercial organizations engaged in real estate activities	0.06	0.04	44.52	0.00	0.00	-35.44	0.02	0.01
Temporary managers in case of economic insolvency (bankruptcy)	0.05	0.04	20.81	0.01	0.02	-60.57	0.01	0.01
Civil liability of legal persons and individual employers for damages caused by activities related to the operation of certain facilities	1.26	1.05	20.40	0.00	0.00	-74.88	0.37	0.36
Civil liability of the carrier for the carriage of dangerous goods	0.05	0.04	15.43	0.00	0.00	202.29	0.01	0.01

1 EUR = 3.0149 Ruble - BYN (June 30<sup>th</sup>, 2021)

1 EUR = 2.6630 Ruble - BYN (June 30<sup>th</sup>, 2022)



On 2 March 2022, the EU published a wide-ranging package of new sanctions against Belarus in response to its involvement in Ukraine. The capital market sanctions in place with respect to the Republic of Belarus, its public bodies, and five banks have been tightened. Drawdowns or disbursements under pre-25 June 2021 contracts are no longer permitted. The provision of insurance or re-insurance to the Belarus Government, its public bodies or natural legal persons acting on their behalf or at their direction under pre-25 June 2021 contracts is now prohibited. The existing exemption for the provision of compulsory or third-party liability insurance for risks situated in the EU or provision of insurance to Belarusian diplomatic/consular missions in the EU remains in place.

Also, in April 2022 Baltic Sea countries' Green Card offices, as well as other green card offices of countries of the European Economic Zone, agreed on ceasing cooperation with Belarus. Pursuant to the agreements in force so far, obligations regarding the mutual recognition of Green Cards certificates issued by both EEA Bureaux and the Belarusian one will expire on May 31, 2023 at 23:59 CET, when the twelve-month notice period expires. From June 1, 2023, it will not be possible to access Belarus with an International Certificate of Insurance (CIS or "Green Card"). The Council of Bureaux cancels agreements with Belarus from this date. It will be necessary to acquire a Border Insurance to circulate duly insured in Belarus. Likewise, the CIS issued in Belarus will not be valid to circulate in the EEA.

The domestic insurance sector of Belarus ended the first half of the year with growth of 4.43% in local currency. GWP reached BYN 913.44 million (EUR 343.01 million), according to the data published by the Ministry of Finance of the Republic. Yet, in real terms, the change was a negative one considering Belarus reported double-digit inflation rates every month in 2022, with a 18.1% peak in July.

Life insurance grew three times faster than non-life insurance. However, non-life insurance continues to dominate the market portfolio with almost 87%. The share of voluntary types of insurance in the total GWP is 65.8% (vs 67% a year earlier). In the structure of voluntary premiums, personal insurance accounts for 47.2%, property insurance – 43.8%, liability insurance – 5.4%.

# Belarus



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Mandatory types of insurance for the first half of 2022 amounted to BYN 312.1 million, of which personal insurance accounts for 40.8%, property insurance – 9.2%, and liability insurance – 50%. The share of mandatory insurance in the total market portfolio increased slightly, to 34.2% (vs 33% in 1H 2021).

In the first half of 2022, paid claims in Belarus amounted to BYN 608.75 million, of which 68.7% were for voluntary insurance, and 31.3% – for mandatory insurance. The level of paid claims in the total GWP

amount reached 66.6% (vs 58.5% a year earlier for the same period).

On 13 Jul 2022 Fitch Ratings has withdrawn three Belarusian insurers' Insurer Financial Strength (IFS) Ratings, as the agency no longer has access to sufficient information to maintain the ratings: Belarusian National Reinsurance Organization, Belarusian Republican Unitary Insurance Company (Belgosstrakh), Export-Import Insurance Company of the Republic of Belarus.

(M.M.)



Total life	13.18
Medical expenses	12.88
Accidents	5.02
Property of legal entities	15.06
Property of individuals	9.62
Business risks	2.61
Liability insurance	3.53
Mandatory agricultural ins.	1.44
Occupational diseases	13.45
MTPL	12.47
Green Card	3.99
Other	6.73



Total life	18.50
Medical expenses	14.59
Accidents	3.83
Property of legal entities	16.86
Property of individuals	8.92
Business risks	3.73
Liability insurance	1.07
Mandatory agricultural ins.	1.42
Occupational diseases	13.21
MTPL	13.20
Green Card	2.29
Other	2.38

Interview with

# David ONOPRISHVILI

Chairman

Insurance State Supervision Service of Georgia



**XPRIMM: How would you describe in general the insurance market's development in 2021? Were there any specific trends in quarterly dynamics?**

**David ONOPRISHVILI:** In 2021 we were observing mainly a recovery from initial impact of COVID19 pandemic. Most lines of business were improving gradually. There is a 16% growth in premiums, which is a considerable progress in comparison with 2020, when the increase was only 7%. Gross written premiums amounted GEL 773 million (in 2020 the amount was GEL 667 million). The increase was even slightly more than average if we look at the previous years. Firstly, the improvement was noticeable in the lines of business, earlier affected by the pandemic. Travel insurance boosted by more than 61% (6.3 m vs 3.9 m), motor casco increased by 23% (143.3 vs 116.7 m). As to health insurance business, it is still the most popular product on the market, and

it has increased by 14%. Motor insurance is the second largest, followed by property insurance. So, in general, 2021 was mainly noticeable as the year of recovery.

**XPRIMM: In 2021, the consolidated profit reported by the Georgian insurers did not grow as compared with the previous year. How do you comment on this issue? Apart from the stagnating profit, would you characterize the market status in 2021 as stable?**

**D.O.:** In the year 2020, exchange rate fluctuations and decreased mobility were the main ground for the increase in profits. We have predicted that this would be a temporary effect and it would be followed by a consecutive compensation effect as soon as mobility of the policyholders would increase and the GEL exchange rate would improve, after recovery of foreign trade, tourism, and other economic activities. Therefore, there were no surprises for us. Nevertheless, it is good to notice, that technical result was not decreased and insurers in general managed to maintain their portfolios on the closest profitability level possible after those fluctuations.

Also, by the end of year 2021 all 18 companies increased minimum capital requirement up to GEL 7,2 million. So, overall, we could conclude, that the market remained stable in 2021.

Georgian insurers were also actively involved in social healthcare programs, which was a great experience, and allowed them to develop a sophisticated service infrastructure and gain decent reputation among the population.

**XPRIMM: Health insurance, motor and property insurance are main LoBs. May you, please, comment on the factors that make these classes dominate in the portfolio?**

**D.O.:** The quality of healthcare services in Georgia is one of the best and the services are the most advanced in the region, which is partially conditioned by the wide range of social healthcare programs, financed by the state. Georgia is also famous for healthcare related tourism.

Georgian insurers were also actively involved in social healthcare programs, which were later moved to dedicated state institution, now called National Health Agency. But that was a great experience, and they were able to develop a sophisticated service infrastructure and gain decent reputation among the population.

Over the time, due to the availability of financing and therefore increasing demand, the prices of the services continue to increase. Moreover, social programs are mainly designed to cover wide range, but still a part of services for citizens with low annual income. Therefore, not having a medical insurance might cause a significant financial impact to those who need appropriate professional treatment. This is the main precondition for growing demand on commercial healthcare insurance.

Here we should also mention that health insurance is almost in all cases available only through corporate (group) coverages. Individual or family policies are usually more expensive or have more exclusions or waiting periods. Therefore, retail products are not popular currently.

As to motor and property insurance, this is mainly due well known higher risk of ownership/operation – in case of motor and constant demand from businesses or banks, in case of property. Motor and Property insurance are most popular insurance products in almost all countries of the world.

**XPRIMM: There several important regulatory changes going on in the Georgian market, among them the transition to the Solvency II regime and the introduction of the mandatory MTPL insurance being the most important. Please comment on the progress made and the planned timeline of these changes.**

**D.O.:** In September 2022 we have completed Solvency II TWINNING project together with our colleagues from Spanish supervisory authority. Within the project scope a draft law and relative regulations were drafted, covering all aspects of Solvency II regulatory framework. A special working group was established within ISSSG, which continues working on the adaptation of provided drafts to Georgian legislative framework. All the drafts were translated in Georgian, but they still need to be fine-tuned to meet existing reality. We will then add transitional articles, which will allow the insurers to gradually adopt to new requirements. The draft law will be submitted to the Parliament next year and on the initial stage the priority will be given to implementation of Pillar II, which covers governance system, internal control, risk management and supervisory review, then followed by Pillar I and Pillar III requirements.

The TWINNING process also included many activities aimed to increase awareness among the potential stakeholders (supervisors, insurers, auditors, relevant state institutions).

Herewith, I would like to thank all the parties involved in the project, with special thanks to our Spanish colleagues, EU delegation in Georgia and a very effective supporting teams from PAO (Program Administration Office) from Ministry of Foreign Affairs as well as FIAPP (Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas), which was providing all the necessary financial and administrative support to the project.

Compulsory MTPL insurance draft law is submitted to the parliament, and we are waiting for the decisions regarding

general concepts, after which final draft will be adjusted and brought to discussions on the parliamentary sessions.

**XPRIMM: After the Covid crisis, the economic volatility induced by the war in Ukraine is challenging again insurers' operations. What were the main benefits/lessons that the market got from the pandemic and how is the market coping with the current economic difficulties?**

**D.O.:** The war in Ukraine brought significant challenges and raised concerns and volatility globally. There is still great uncertainty on the outcomes of the war. As Georgia is one of the closest neighbors and partners of Ukraine, and due to its geopolitical location, with largest bordering neighbor Russia, we feel some volatility in general, but insurance market has not been influenced negatively so far.

As to the benefits/lessons learnt from the COVID pandemic, we have noticed certain transformations in insurers operations. Insurers implemented several additional online services, learned to perform operations and provide services remotely, most of them improved their IT infrastructure and are now prepared for several possible case scenarios, even not related to pandemic, such as coping with disasters or other major perils.

The market situation is improving, the insurers are capable of achieving their targets and there are always more possibilities for further development. However, there is still a lot of uncertainty and we all need to be ready for any possible crisis situations developing.

**XPRIMM: In 1H2022 the market premiums increased, as well as paid claims. What risks and perspectives do you see for the Georgian insurance market in 2022? Do you think that insurers will be able to achieve their FY targets?**

**D.O.:** Definitely, the market situation is improving, the insurers are capable of achieving their targets and there are always more possibilities for further development.

At the same time there are still some risks, related to unfavorable developments related to the war in Ukraine, global economic or even food crisis. Therefore, we all need to be ready for any possible variations of those developments. We are constantly working on the monitoring of market sustainability and will be improving regulatory process in order to ensure the satisfaction of the best interests of policyholders, but at the same time will support insurers in coping with existing challenges.

Interview conducted by Daniela GHETU

# Georgia



S&P Rating

**BB, STABLE**

Moody's rating

**BA2, NEGATIVE**

Fitch Rating

**BB, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> The National Bank of Georgia

<sup>3</sup> State Insurance Supervision Service of Georgia

<sup>4</sup> XPRIMM calculations

Because high inflation, insurance products' prices have risen by about 10-15%, to fit the expected growth in claims expenses

Georgian insurers are looking forward to the introduction of the mandatory MTPL insurance, a line of business that may add about GEL 200 million to the market dimension and also help solving the social problem of road accidents' victims

GPI Holding, member of the Vienna Insurance Group, remains the market leader, with a 20.08% market share, up by almost 1 percentage point y-o-y

## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	GEL billion <sup>1</sup>	40.76	44.60	49.25	49.27	60.23
	EUR billion <sup>4</sup>	13.13	14.53	15.35	12.25	17.19
<b>GDP per capita, current prices</b>	GEL <sup>1</sup>	10,939	11,958	13,228	13,255	16,154
	EUR <sup>4</sup>	3,524	3,895	4,121	3,295	4,610
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	21.60	19.20	17.60	18.50	20.30
<b>Population</b>	Millions <sup>1</sup>	3.73	3.73	3.72	3.72	3.73
<b>GEL/EUR exchange rate</b>	End of period <sup>2</sup>	3.1044	3.0701	3.2095	4.0233	3.5040
<b>Gross written premiums</b>	GEL million <sup>3</sup>	441.40	542.20	625.00	667.28	772.66
	EUR million <sup>4</sup>	142.19	176.61	194.74	165.85	220.51
<b>Paid claims</b>	GEL million <sup>3</sup>	248.77	301.86	532.52	385.48	435.73
	EUR million <sup>4</sup>	80.13	98.32	165.92	95.81	124.35
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.08%	1.22%	1.27%	1.35%	1.28%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	38.16	47.35	52.29	44.62	59.13

According to the 1H2022 results, the Georgian insurance market grew by 12.49% y-o-y, total GWP reaching GEL 504.67 million (EUR 163.74 million), according to the Georgian Insurance Supervision Service.

Non-life insurance, which dominates the market portfolio, occupying about 93%, increased to GEL 467.92 million. Among the non-life classes, some have recorded an annual drop in premiums, such as accidents insurance, property insurance, general liability insurance. At the same time, health insurance grew by 18.62%, occupying over 45% of the total market.

Growth was also observed in motor insurance, both in MTPL and Motor Hull.

Insurers' paid claims increased by 17.18% y-o-y, to GEL 227.56 million (EUR 73.83 million). It is worth noting that life insurance paid claims decreased by almost 15%, while non-life insurance paid claims, on the contrary, increased by 20%.

High inflation (13%), affecting the Georgian economy like almost all others, has determined rising prices for products and services, insurance included. Thus, insurance products' prices have risen by about 10-15%, according to the CEO of the insurance company Global Benefit, Nino KOBAKHIDZE, Business Georgia wrote.

*The insurance sector does not operate with high profitability. On the contrary, year after year this business becomes less and less*

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	163.74	119.29	37.26	73.83	51.64	42.99	100.00	100.00
<b>TOTAL LIFE</b>	11.92	8.32	43.23	4.39	4.23	3.92	7.28	6.98
<b>TOTAL NON-LIFE</b>	151.82	110.97	36.81	69.44	47.41	46.47	92.72	93.02
Accidents	2.67	2.29	16.70	0.07	0.06	1.26	1.63	1.92
Health	75.03	51.84	44.74	41.19	27.90	47.63	45.82	43.45
<b>Overall motor insurance</b>	36.34	25.40	43.06	20.84	14.14	47.37	22.19	21.29
Motor Hull	27.45	19.81	38.57	17.72	12.34	43.65	16.76	16.60
MTPL	8.89	5.60	58.95	3.12	1.80	72.81	5.43	4.69
Property	21.02	19.69	6.75	2.16	2.93	-26.14	12.84	16.51
CARGO	1.77	1.35	30.76	0.27	0.18	46.13	1.08	1.14
Aviation hull ins.	2.13	0.71	198.61	1.58	1.18	33.77	1.30	0.60
Aviation TPL	1.99	1.04	91.20	-	-	-	1.21	0.87
GTPL	5.28	4.64	13.78	0.21	0.13	60.99	3.23	3.89
Financial Risks	2.02	1.94	3.97	0.18	0.02	801.52	1.23	1.62
Suretyship	1.90	1.33	43.68	2.87	0.81	255.74	1.16	1.11
Travel	1.49	0.59	154.49	0.08	0.03	119.64	0.91	0.49
Other	0.18	0.15	17.12	0.00	0.03	-81.98	0.11	0.13

1 EUR = 3.7608 Lari - GEL (June 30<sup>th</sup>, 2021)

1 EUR = 3.0821 Lari - GEL (June 30<sup>th</sup>, 2022)





Devi KHECHINASHVILI  
President of the  
Georgian Insurance  
Association

profitable. Insurance rates are calculated considering inflation. Every year there is an increase of about 7-8%, depending on the general level of price growth, explained Nino KOBAKHIDZE, adding that without compulsory insurance lines the insurance sector is not enough attractive for investors.

There are one and a half million cars in Georgia, and no one is forcing their owners to insure, but at the same time, several tens of thousands of traffic accidents occur a year. Therefore, recovery of these damages should not be put on drivers' shoulders. In almost in all countries, except Georgia and a few African countries, third party liability insurance is mandatory. In the case of compulsory insurance, compensation is made without exception, regardless of fault. Compulsory insurance is a social product that compensates for all losses from an accident, said Devi KHECHINASHVILI, head of the Georgian Insurance Association. He added that Insurance of vehicle owners will give us an additional GEL 200 million, which will directly contribute to the development of insurance culture and work on other services.

The post-pandemic period has been challenging for the insurance market. Net profit of the companies decreased by almost three times and in the first quarter of 2022 amounted to GEL 4.7 million (EUR 1.36 million).

Insurance company Ardi, one of the top 5 insurers in Georgia in 1Q2022, signed an investment agreement with the multinational investment fund Gazelle Finance, as a result of which the fund became a strategic shareholder of Ardi. The investment package is about USD 2 million, which will contribute to further development of the insurance company through improvement of the quality of services and introduction of advanced digital technologies.

(M.M.)

# Georgia

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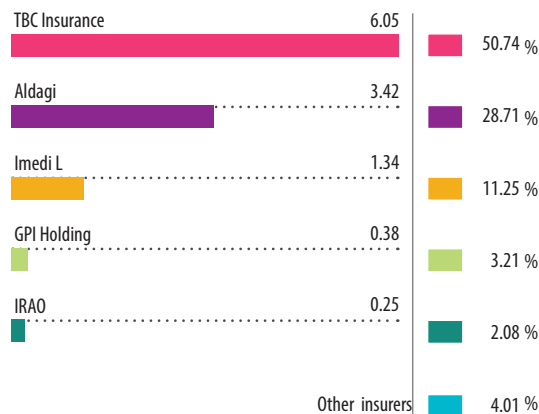
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MSEcel format \* in EUR and local currency

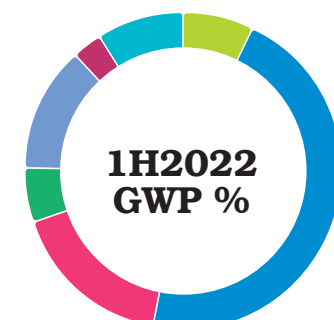
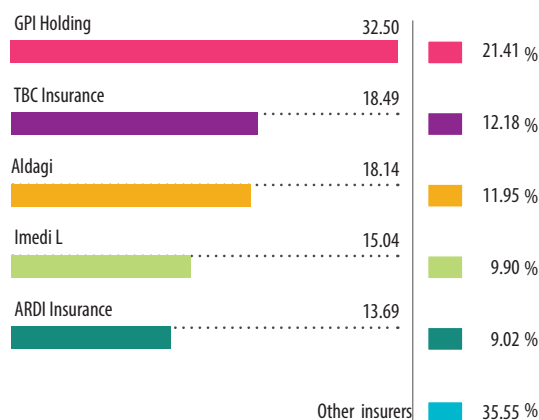
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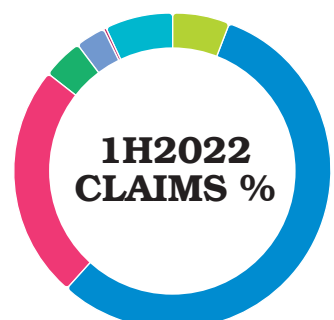
## Top 5 Life insurance (GWP, EUR m)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	7.28
Health	45.82
Motor Hull	16.76
MTPL	5.43
Property	12.84
GTPL	3.23
Other	8.64



Life	5.95
Health	55.78
Motor Hull	24.00
MTPL	4.22
Property	2.93
GTPL	0.28
Other	6.83

# Kazakhstan



S&P Rating

**BBB-, STABLE**

Moody's rating

**BAA2, STABLE**

Fitch Rating

**BBB, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> The National Bank of Kazakhstan

<sup>3</sup> XPRIMM calculations

## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	KZT billion <sup>1</sup>	54,378.86	61,819.54	69,532.63	70,649.03	81,269.23
	EUR billion <sup>3</sup>	136.55	140.70	162.90	136.88	166.61
<b>GDP per capita, current prices</b>	KZT <sup>1</sup>	2,994,876	3,360,561	3,731,953	3,742,579	4,249,238
	EUR <sup>3</sup>	7,520	7,649	8,743	7,251	8,711
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.87	4.83	4.79	4.93	4.88
<b>Population</b>	Millions <sup>1</sup>	18.16	18.40	18.63	18.88	19.13
<b>KZT/EUR exchange rate</b>	End of period <sup>2</sup>	398.23	439.37	426.85	516.13	487.79
<b>Gross written premiums</b>	KZT million <sup>2</sup>	370,173.60	384,845.93	508,512.27	568,134.50	814,816.36
	EUR million <sup>3</sup>	929.55	875.90	1,191.31	1,100.76	1,670.42
<b>Paid claims</b>	KZT million <sup>2</sup>	88,734.59	95,176.77	221,498.52	149,916.23	130,604.49
	EUR million <sup>3</sup>	222.82	216.62	518.91	290.46	267.75
<b>Insurance penetration degree</b>	% in GDP <sup>3</sup>	0.68%	0.62%	0.73%	0.80%	1.00%
<b>Insurance density</b>	EUR/capita <sup>3</sup>	51.19	47.61	63.94	58.31	87.34

In the first half of 2022, the insurance sector of Kazakhstan grew by 4.03%, to KZT 445.89 billion (EUR 912.31 million). At the same time, insurers' paid claims, in contrast to premiums, jumped by more than 36%, reaching KZT 80.81 billion (EUR 165.35 million), according to data published by the National Bank.

As of July 1, 2022, the assets of the insurance sector increased by 5% to KZT 1.97 trillion (EUR 4.05 billion). According to the Agency of the Republic of Kazakhstan for Regulation and development of the financial market, this growth was mainly due to an increase in income from insurance activities and revaluation of the value in foreign currency.

In the structure of assets, the largest share (71.4%) belongs to securities - KZT 1.41 trillion. Liabilities of insurers as of July 1, 2022, amounted to KZT 1.23 trillion. The increase in liabilities occurred mainly due to the growth of insurance reserves. Equity capital at the end of the first half of the year amounted to KZT 741 billion. Net profit in the insurance market since the beginning of 2022 amounted to KZT 80.3 billion.

In the first quarter of 2022, insurers received losses due to volatility in the foreign exchange market of Kazakhstan. *Together with the dollar exchange rate, the average severity of losses is also growing. For example, if in mandatory motor insurance*

Assets of the insurance sector increased by 5% to KZT 1.97 trillion, mostly due to an increase in income from insurance activities and revaluation of the value in foreign currency

The value of the average paid claim for mandatory motor insurance increased from KZT 461 thousand in 2021, to KZT 497 thousand in 2022

The total net profit of insurers before taxes in the first quarter of 2022 amounted to KZT 25.5 billion

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET*</b>	912.31	841.46	8.42	165.35	116.29	42.19	100.00	100.00
<b>TOTAL LIFE</b>	258.25	303.62	-14.94	33.12	23.32	42.01	28.31	36.08
Life insurance (v)	172.77	155.02	11.45	10.83	3.81	184.51	18.94	18.42
Annuity (v)	85.48	148.60	-42.48	22.28	19.51	14.20	9.37	17.66
<b>TOTAL NON-LIFE</b>	654.06	537.83	21.61	132.24	92.97	42.24	71.69	63.92
Accidents (v)	31.57	28.52	10.70	3.12	1.81	72.09	3.46	3.39
Sickness (v)	62.13	50.21	23.73	24.30	21.59	12.52	6.81	5.97
<b>Property insurance (v)</b>	216.21	188.73	14.56	15.69	12.77	22.85	23.70	22.43
<b>Overall motor insurance</b>	150.35	123.83	21.42	63.19	45.25	39.66	16.48	14.72
Motor Hull (v)	44.74	31.51	41.98	14.63	9.13	60.25	4.90	3.74
MTPL (c)	105.61	92.32	14.40	48.56	36.12	34.46	11.58	10.97
Railway, air and water transport (v)	14.87	15.99	-6.97	2.06	1.51	36.83	1.63	1.90
CARGO (v)	19.66	17.50	12.35	1.47	0.51	189.69	2.16	2.08
Carriers' liability (v)	6.18	6.68	-7.47	0.03	-	-	0.68	0.79
GTPL (v)	53.52	34.36	55.74	0.61	1.99	-69.29	5.87	4.08
Credit insurance (v)	6.86	3.83	79.08	10.86	0.00	-	0.75	0.46
Financial losses (v)	19.95	16.09	23.97	3.47	0.47	631.93	2.19	1.91
Worker against accidents (c)	50.04	34.82	43.70	5.93	6.04	-1.79	5.48	4.14
Carrier liability ins. for passengers (c)	2.78	2.35	18.14	0.26	0.16	62.96	0.30	0.28
Ecological insurance (c)	3.71	1.54	140.77	0.01	-	-	0.41	0.18
Others (c)+(v)	16.23	13.37	21.39	1.22	0.86	41.82	1.78	1.59
<b>TOTAL COMPULSORY INSURANCE</b>	166.94	134.96	23.69	55.70	42.81	30.12	18.30	16.04
<b>TOTAL VOLUNTARY INSURANCE</b>	745.37	706.49	5.50	109.65	73.48	49.23	81.70	83.96

\*insurance premiums accepted on insurance and reinsurance contracts, summed (v) - voluntary insurance / (c) - compulsory insurance

1 EUR = 509.37 Tenge - KZT (June 30<sup>th</sup>, 2021)

1 EUR = 488.75 Tenge - KZT (June 30<sup>th</sup>, 2022)

the average paid claim amount in 2021 was KZT 461 thousand, in 2022 it is already KZT 497 thousand. In March 2022, the average amount of paid claims reached KZT 511 thousand, said Azamat KERIMBAYEV, Advisor to the Chairman of the Board of Freedom Insurance.

At the same time, according to the expert, since insurers hold their assets mainly in foreign currency, sharp fluctuations in the foreign exchange market affect their profits and losses. Profit of non-life insurers from revaluation of foreign currency in February reached KZT 40.2 billion. However, in March, after a 7% appreciation of the tenge, losses from revaluation amounted to KZT 18.2 billion. Total net profit of insurers before taxes in the first quarter of 2022 amounted to KZT 25.5 billion, the expert explained.

Azamat KERIMBAYEV also noted that in connection with the events at the beginning of this year, non-life insurance companies increased their total sales by 23%, to KZT 135.6 billion. This was supported by voluntary property insurance, insurance of medical expenses, etc. In January, the insurance business suffered losses in the amount of KZT 94 billion. As a result, the demand for insurance of property against damages during mass unrest and riots sharply increased.

On June 09, 2022, the Chairman of the Agency of the Republic of Kazakhstan for the regulation and development of the financial market, Madina ABYLKASYMOVA, presented the draft Law *On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Regulation and Development of the Insurance Market, the Securities Market, and Banking*. The main goal of the Draft Law is to develop the insurance market and the securities market through introduction of new products, further digitalization of services, improving quality of consumer and investor protection, and bringing current legislation in line with best international practices.

It is noted that at present the insurance sector demonstrates a stable GWP growth and high financial stability. Insurance market assets have grown by 74% over the past three years and amount to KZT 1.9 trillion (EUR 4.02 billion) as of May 2022, or 2.2% of GDP. However, the main task remains to expand coverage of the population and businesses with insurance services, for which the draft law suggests introduction of new socially important life insurance products.

(M.M.)

# Kazakhstan

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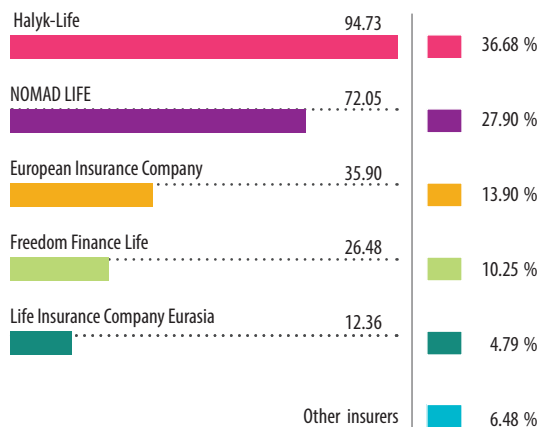
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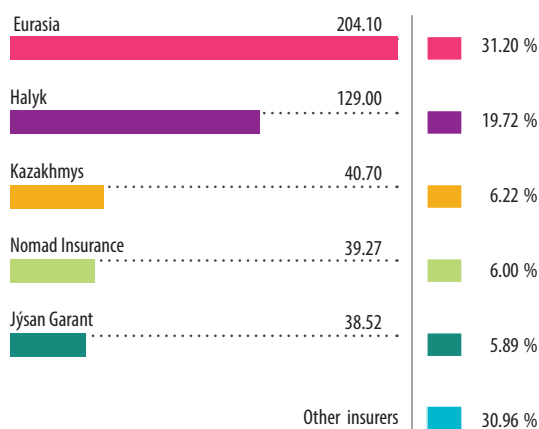
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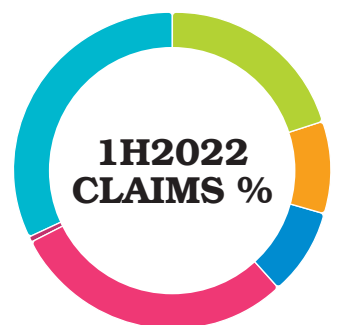
## TOP 5 Life insurance (GWP, EUR million)



## TOP 5 Non-Life insurance (GWP, EUR million)



Life	28.31
Property	23.70
Motor Hull	4.90
MTPL	11.58
GTPL	5.87
Other	25.65



Life	20.03
Property	9.49
Motor Hull	8.85
MTPL	29.37
GTPL	0.37
Other	31.90

# Kyrgyzstan



Moody's rating

**B3, under review**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> National Bank of the Kyrgyz Republic

<sup>3</sup> FSA - Gosfinsnadzora

<sup>4</sup> XPRIMM calculations

Revenues of 14 insurance companies of Kyrgyzstan increased by 23% y-o-y in 1H and amounted to KGS 1.2 billion

Voluntary insurance accounted for more than 65% of the total number of insurance contract concluded in 1H

The total sum insured under the concluded contracts in 1H reached KGS 809 billion, up by a third y-o-y

## Market's main indicators - timeline

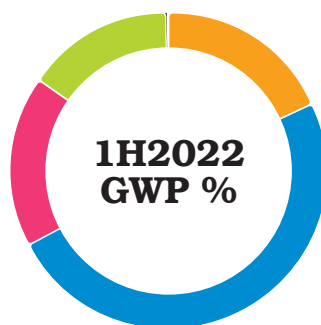
		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	KGS billion <sup>1</sup>	530.48	569.39	619.10	601.82	723.12
	EUR billion <sup>4</sup>	6.42	7.11	7.94	5.94	7.55
<b>GDP per capita, current prices</b>	KGS <sup>1</sup>	86,394	91,004	96,905	92,348	108,667
	EUR <sup>4</sup>	1,046	1,137	1,243	911	1,134
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	6.89	6.61	6.61	6.61	6.61
<b>Population</b>	Millions <sup>1</sup>	6.14	6.26	6.39	6.52	6.65
<b>KGS/EUR exchange rate</b>	End of period <sup>2</sup>	82.5936	80.0446	77.9803	101.3204	95.7857
<b>Gross written premiums</b>	KGS million <sup>3</sup>	1,004.40	1,098.78	1,332.74	1,334.76	1,261.85
	EUR million <sup>4</sup>	12.16	13.73	17.09	13.17	13.17
<b>Paid claims</b>	KGS million <sup>3</sup>	111.58	128.29	180.67	184.21	263.92
	EUR million <sup>4</sup>	1.35	1.60	2.32	1.82	2.76
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.19%	0.19%	0.22%	0.22%	0.17%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	1.98	2.19	2.68	2.02	1.98

The insurance sector of Kyrgyzstan ended the first half of 2022 with an increase of almost 28% y-o-y. Total GWP amounted to KGS 998.14 million (EUR 11.94 million), according to data published by the State Service of regulation and supervision of the financial market at the government of the Kyrgyz Republic.

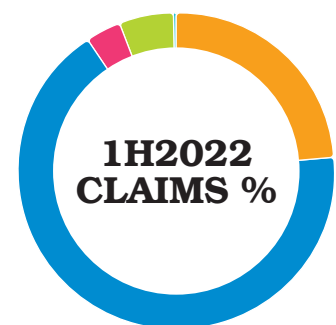
The results of the first half of 2022 show that revenues of 14 insurance companies of Kyrgyzstan increased by 23% y-o-y and

amounted to KGS 1.2 billion (~EUR 14.36 million). At the same time, the largest part (85%) was received from insurance premiums, according to the National Statistical Committee of the Kyrgyz Republic. Insurance companies received about KGS 124 million of balanced profit, which is 29.5% less than in the corresponding period of the last year.

The number of insurance contracts concluded as of July 1, 2022, amounted



Personal	18.19
Property	49.27
Liability	17.33
Mandatory	15.20
Other	0.02



Personal	23.89
Property	66.92
Liability	3.54
Mandatory	5.69
Other	0.04

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	11.94	7.74	54.27	2.25	0.98	130.17	100.00	100.00
Personal	2.17	1.20	81.31	0.54	0.39	38.40	18.19	15.47
Property	5.88	4.25	38.49	1.51	0.44	245.00	49.27	54.88
Liability	2.07	1.46	41.38	0.08	0.08	1.23	17.33	18.91
Mandatory	1.82	0.83	119.04	0.13	0.07	72.88	15.20	10.70
Life	0.00	0.00	-15.81	-	-	-	0.02	0.04

1 EUR = 100.7629 Som - KGS (June 30<sup>th</sup>, 2021)

1 EUR = 83.5625 Som - KGS (June 30<sup>th</sup>, 2022)

## Kyrgyzstan

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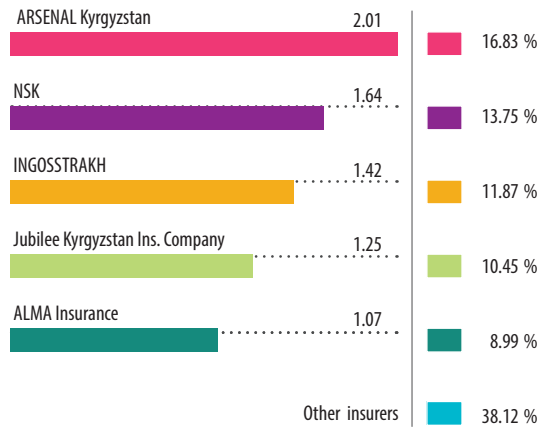
to 127.5 thousand units. Of the total number of contracts concluded, over 86% were contracts with individuals; voluntary insurance accounted for more than 65% of the total number.

In 1H2022, total sum insured under the concluded contracts reached KGS 809 billion, having increased by a third compared to the same period last year. The largest increase was noted under contracts of voluntary liability insurance and personal insurance.

Since the beginning of the year, 3.7 thousand insured events have been recorded, of which 57% fell on voluntary personal health insurance. The largest amounts were paid for voluntary property insurance (60.5%) and personal health insurance (over 17%).

(M.M.)

## Top 5 Total market (GWP, EUR m)



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- 2021 insurance figures
- 2022 insurance figures



## Insurance Statistics Quarterly Updated!

# Moldova



Moody's rating

**B3, NEGATIVE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> The National Bank of Moldova

<sup>3</sup> The National Commission of Financial Market (NCFM)

<sup>4</sup> XPRIMM calculations

Moldovan insurers posted MDL 161.2 million (approx. EUR 8.015 million) pre-tax profit in 1H, up 57.5% compared to the first half of 2021

According to the National Financial Market Commission of the Republic of Moldova, total GWP under agroinsurance contracts increased by about 400% y-o-y, mostly due to increasing state subsidy of premiums, to 70%

MOLDASIG became market leader in 1H, its market share increasing from 13.66% to 18.76%

## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	MDL billion <sup>1</sup>	178.88	192.51	210.38	199.73	241.87
	EUR billion <sup>4</sup>	8.76	9.86	10.92	9.45	12.04
<b>GDP per capita, current prices</b>	MDL <sup>1</sup>	64,347	70,507	78,449	75,830	93,493
	EUR <sup>4</sup>	3,153	3,612	4,073	3,589	4,653
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	4.13	3.05	5.13	3.83	3.46
<b>Population</b>	Millions <sup>1</sup>	2.78	2.73	2.68	2.63	2.59
<b>MDL/EUR exchange rate</b>	End of period <sup>2</sup>	20.4099	19.5212	19.2605	21.1266	20.0938
<b>Gross written premiums</b>	MDL million <sup>3</sup>	1,441.90	1,518.14	1,624.66	1,452.91	1,926.34
	EUR million <sup>4</sup>	70.65	77.77	84.35	68.77	95.87
<b>Paid claims</b>	MDL million <sup>3</sup>	506.03	548.99	653.79	596.39	662.14
	EUR million <sup>4</sup>	24.79	28.12	33.94	28.23	32.95
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.81%	0.79%	0.77%	0.73%	0.80%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	25.41	28.49	31.45	26.11	37.06

The insurance market in Moldova in 1H2022 rose by 34.62% to MDL 1.182 billion (EUR 58.77 million), according to data published by the National Financial Market Commission. Paid claims reached MDL 391.28 million (EUR 19.45 million), which is 27.57% up compared to the same period of 2021.

Both life and non-life segments saw an increase, yet non-life insurance, which occupies almost 96% of the market portfolio, jumped by more than 36%,

while the share of the life segment even dropped despite a slight annual rise. The largest part of the total GWP belongs to motor insurance, in which Green Card policies demonstrated the highest growth most likely due to lifting of the pandemic restrictions.

On the paid claims side, it's worth noting that paid claims saw an increase in almost all key classes, however accidents insurance declined significantly (-70.55%), while property insurance saw the most

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	58.77	41.03	43.22	19.45	14.33	35.72	100.00	100.00
<b>TOTAL LIFE</b>	2.36	2.14	10.04	1.07	0.78	37.49	4.01	5.22
<b>TOTAL NON-LIFE</b>	56.41	38.89	45.05	18.38	13.55	35.62	95.99	94.78
Accidents insurance	0.94	0.47	99.41	0.02	0.07	-68.67	1.60	1.15
<b>Overall health insurance</b>	2.80	2.29	21.97	1.13	0.79	43.07	4.76	5.59
Health - valid in Moldova	1.12	0.87	29.20	0.77	0.58	31.08	1.91	2.12
Health - valid outside Moldova	1.68	1.43	17.57	0.36	0.20	77.65	2.85	3.48
<b>Overall property insurance</b>	9.25	5.48	68.84	1.11	0.41	170.68	15.74	13.35
Fire and allied perils	4.81	2.61	84.60	0.90	0.31	190.20	8.19	6.35
Damages to property	4.44	2.87	54.54	0.21	0.10	108.99	7.55	7.00
<b>Overall motor insurance</b>	36.12	26.97	33.93	15.53	12.03	29.08	61.46	65.72
Motor Hull	10.50	8.78	19.59	6.35	5.02	26.59	17.87	21.40
MTPL	15.81	12.34	28.17	6.97	5.64	23.66	26.91	30.07
Green Card	9.44	5.51	71.48	2.17	1.36	60.28	16.06	13.42
Other motor insurance	0.36	0.34	5.77	0.03	0.02	72.50	0.62	0.84
Aircraft insurance	0.49	0.39	24.73	0.50	-	-	0.84	0.96
Aircraft liability	5.10	1.55	229.77	0.07	0.20	-66.37	8.68	3.77
Goods in transit	0.22	0.29	-23.99	0.00	0.03	-96.51	0.37	0.70
GTPL	1.00	1.13	-11.71	0.02	0.01	148.51	1.70	2.76
Financial loss insurance	0.31	0.15	102.88	-	0.01	-	0.52	0.37
Other non-life insurance	0.19	0.17	12.12	-	-	-	0.32	0.41

1 EUR = 21.3989 Lei - MDL (June 30<sup>th</sup>, 2021)

1 EUR = 20.1130 Lei - MDL (June 30<sup>th</sup>, 2022)



Adrian GHEORGHITA  
Vice-President  
National Commission  
for Financial Markets  
Republic of Moldova

impressive rise by 154.42% to MDL 22.27 million from MDL 8.75 million a year ago.

During the first six months of 2022, Moldovan insurers posted MDL 161.2 million pre-tax profit, up 57.5% compared to the first half of 2021. Revenues rose by 40.5% to MDL 1.776 billion, while expenses were 39% higher on the year at MDL 1.615 billion.

Out of 10 insurance companies active on the market, the leading position is occupied by MOLDASIG, which moved up from the second place in 1H2021 and the previous leader INTACT ASIGURARI GENERALE moved down to the 6th. ASTERRA GRUP moved from its 2nd place to 3rd, while GENERAL ASIGURARI ranked now 2nd.

According to the information of brokers of insurance companies in Moldova, in the spring of 2022, the number and size of insurance contracts concluded by agricultural producers dropped sharply. Among the reasons, there is a decrease in industry profitability throughout the 2021-2022 season, as well as a sharp rise in the cost of all production resources in late 2021 and early 2022.

Insurers foresee an important change: if in previous years comprehensive insurance packages were popular among farmers, in 2022 farmers prefer to insure against each risk separately. At the same time, according to the insurance brokers, the number of large contracts concluded by regular customers has now sharply decreased, and the number of small contracts with new customers has increased.

Last year, a new law on subsidizing insurance in agriculture was put in place and this segment has grown by 400% in 2021, thanks to the awareness of the agricultural sector on the need for this product, but also thanks to the 70% subsidy on the insurance policy, Adrian GHEORGHITA, Vice-President, National Commission for Financial Markets, Republic of Moldova explained.

(M.M.)

# Moldova

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Full market rankings per company & per class

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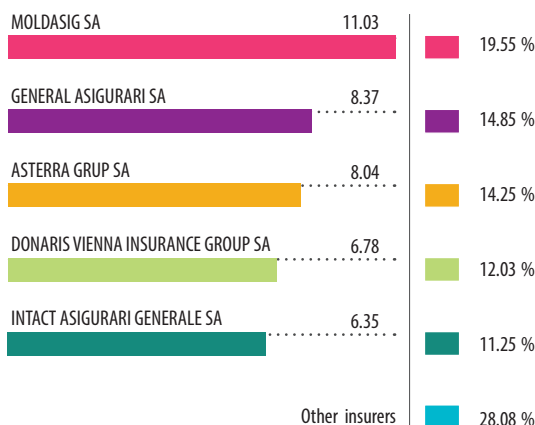


## Life insurance ranking (GWP, EUR m)



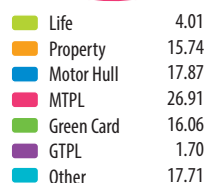
1H2022  
market  
shares

## TOP 5 Non-Life insurance (GWP, EUR million)

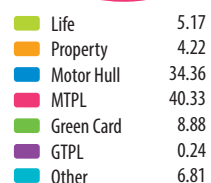


1H2022  
market  
shares

1H2022  
GWP %



1H2022  
CLAIMS %



# Russia



Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> The Central Bank of the Russian Federation

<sup>3</sup> Financial Markets Service of the Bank of Russia

<sup>4</sup> XPRIMM calculations

All major reinsurers and international brokers such as Marsh, Aon and Willis Towers Watson have stopped taking new business from Russia

From June 1, 2023, cross-border circulation between Russia and the EEA countries will not be possible with a Green Card certificate

The profit of Russian insurers fell by 62% y-o-y, to RUB 46.1 billion, while insurers suffered losses in the second quarter, mostly because a negative result of investment activity

The share of the top 20 insurers on the market reached 87.6%

## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	RUB billion <sup>1</sup>	91,843.20	103,861.70	109,608.30	107,315.30	130,795.30
	EUR billion <sup>4</sup>	1,333.64	1,307.09	1,580.72	1,183.42	1,555.80
<b>GDP per capita, current prices</b>	RUB <sup>1</sup>	625,294	707,596	746,910	734,176	898,579
	EUR <sup>4</sup>	9,080	8,905	10,772	8,096	10,689
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	5.20	4.80	4.60	5.78	4.83
<b>Population</b>	Millions <sup>1</sup>	146.88	146.78	146.75	146.17	145.56
<b>RUB/EUR exchange rate</b>	End of period <sup>2</sup>	68.8668	79.4605	69.3406	90.6824	84.0695
<b>Gross written premiums</b>	RUB million <sup>3</sup>	1,278,841.60	1,479,501.13	1,481,177.59	1,538,700.73	1,808,289.28
	EUR million <sup>4</sup>	18,569.78	18,619.33	21,360.90	16,968.02	21,509.46
<b>Paid claims</b>	RUB million <sup>3</sup>	509,722.13	522,468.01	610,865.42	658,485.52	796,973.85
	EUR million <sup>4</sup>	7,401.57	6,575.19	8,809.64	7,261.45	9,479.94
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.39%	1.42%	1.35%	1.43%	1.38%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	126.43	126.85	145.56	116.08	147.77

Economic sanctions on Russia, in response to its aggression against Ukraine, have been enacted at speed covering a wide range of entities. While it was widely expected that the US, UK and EU would act, it is interesting that numerous other countries followed and imposed some sort of sanctions. In short, they prevented foreign re/insurers to provide coverage for Russian assets and also severed Russian insurers' relationship with Western reinsurers. Aviation, marine and exports

were all affected by the lack of insurance coverage, especially since all major reinsurers and international brokers such as Marsh, Aon and Willis Towers Watson have stopped taking new business from Russia.

Besides the direct impact on re/insurers activity, the economic sanctions also impacted on the Russian insurance industry indirectly, by the difficult economic environment they have driven. The double-digit inflation rate raised

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	16,009.83	10,373.09	54.34	7,848.07	4,460.31	75.95	100.00	100.00
<b>LIFE INSURANCE*</b>	4,053.38	2,729.16	48.52	2,989.69	1,598.49	87.03	25.32	26.31
<b>OVERALL NON-LIFE INSURANCE</b>	11,988.36	7,643.93	56.83	4,864.08	2,861.82	69.96	74.88	73.69
<b>VOLUNTARY NON-LIFE INSURANCE</b>	9,421.04	6,139.40	53.45	3,340.06	1,901.23	75.68	58.85	59.19
<b>Personal insurance, of which:</b>	4,084.09	3,017.63	35.34	1,663.70	913.57	82.11	25.51	29.09
Accidents and diseases	1,484.63	1,542.36	-3.74	316.09	137.90	129.22	9.27	14.87
Health	2,599.46	1,475.27	76.20	1,347.61	775.67	73.73	16.24	14.22
<b>Property insurance, of which:</b>	4,470.01	2,553.10	75.08	1,550.98	912.94	69.89	27.92	24.61
Motor Hull	1,918.50	1,081.04	77.47	1,141.04	606.21	88.22	11.98	10.42
Railway, aircraft and ships insurance	210.29	116.80	80.04	65.58	67.26	-2.50	1.31	1.13
CARGO insurance	251.31	125.42	100.37	33.70	19.89	69.43	1.57	1.21
Real estate property insurance, of which:	1,983.89	1,176.51	68.62	281.69	194.71	44.67	12.39	11.34
Property of legal entities	1,289.83	761.37	69.41	182.10	139.01	31.00	8.06	7.34
Property of individuals	694.05	415.14	67.18	99.59	55.70	78.80	4.34	4.00
Agricultural insurance	106.02	53.32	98.83	28.98	24.88	16.49	0.66	0.51
Civil liability insurance**	393.62	249.65	57.67	64.02	51.42	24.51	2.46	2.41
Business risks	193.34	120.90	59.92	18.65	9.52	95.85	1.21	1.17
Financial risks	279.98	198.12	41.32	42.72	13.78	210.08	1.75	1.91
<b>MANDATORY INSURANCE</b>	2,567.32	1,500.73	71.07	1,524.02	960.14	58.73	16.04	14.47
Personal insurance***	321.45	195.77	64.20	18.73	90.22	-79.24	2.01	1.89
Compulsory MTPL	2,190.94	1,269.82	72.54	1,496.24	864.81	73.01	13.68	12.24
Dangerous installations' owners TPL insurance	32.83	20.40	60.97	3.18	1.36	133.29	0.21	0.20
Other	22.10	14.74	49.87	5.86	3.75	56.53	0.14	0.14
<b>OTHER****</b>	-31.91	3.80	-940.25	-5.70	-0.44	1,193.40	-0.20	0.04

\*life and pension plans, summed

\*\*carriers and other voluntary TPL insurances, summed

\*\*\*mandatory life and health insurance for military personnel and other compulsory personal insurances provided by the federal laws

\*\*\*\*Premiums with no reliable figures due to late receipt of the primary accounting documents and collection write-off under court decisions  
1EUR = 86.2026 RUB (June 30<sup>th</sup>, 2021) ; 1 EUR = 53.8580 RUB (June 30<sup>th</sup>, 2022)



prices and, at the same time, determined a decline in real wages, altogether resulting in a visible decline of Russians' purchasing power.

Also, in April 2022 Baltic Sea countries' Green Card offices, as well as other green card offices of countries of the European Economic Zone, agreed on ceasing cooperation with Russia. Pursuant to the agreements in force so far, obligations regarding the mutual recognition of Green Cards certificates issued by both EEA Bureaux and the Russian one will expire on May 31, 2023 at 23:59 CET, when the twelve-month notice period expires. From June 1, 2023, cross-border circulation between Russia and the EEA countries will not be possible with a Green Card certificate.

At the end of 1H2022, the market amounted to RUB 862.25 billion (EUR 16 billion), having decreased by 3.57% y-o-y, a trend common to both life and non-life insurance, data published by the Central Bank show. The maximum decline occurred in the investment life insurance, credit life and health insurance due to a decrease in lending activity and a drop in demand for financial alternatives to deposits after a sharp rise in interest rates. The decline in the insurance market was mitigated by growth in motor insurance and voluntary health insurance. At the end of June 2022, paid claims increased by 9.93% to RUB 422.68 billion.

According to the 1H2022 results, the profit of Russian insurers fell by 62% y-o-y, to RUB 46.1 billion, while insurers suffered losses in the second quarter, mostly because a negative result of investment activity.

## Russia

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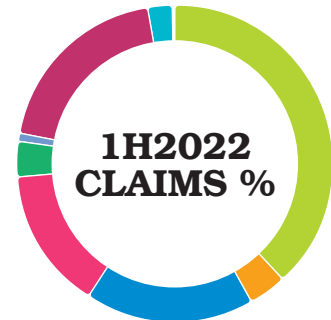
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MSExcel format \* in EUR and local currency

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Life	25.32
Accidents & diseases	9.27
Health	16.24
Motor Hull	11.98
Real estate	12.39
Civil liability	2.46
CMTPL	13.68
Other	8.65



Life	38.09
Accidents & diseases	4.03
Health	17.17
Motor Hull	14.54
Real estate	3.59
Civil liability	0.82
CMTPL	19.07
Other	2.70

The number of insurance companies for the second quarter of 2022 decreased by 2 to 144. At the same time, concentration of the Russian insurance market has intensified. The share of the top 20 insurers on the market reached 87.6% (+1.4 p.p. y-o-y), according to a press release from the Central Bank.

A report released by GlobalData in September states that GWP in the nation's

life insurance segment are expected to decline by 7.3% in 2022 compared to the 21% growth achieved in 2021. GlobalData also expects Russia's life insurance industry growth to remain subdued over the next few years as further economic and disruptive headwinds are anticipated resulting from the Ukraine conflict.

(M.M.)

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# CEE SEE EX-USSR INSURANCE MARKETS

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Interview with

# Vyacheslav CHERNYAKHOVSKY

General Director of the Ukraine's  
Insurance Business Association



Read  
the full interview



**XPRIMM: How did the war situation affect insurers' activity?**

**Vyacheslav CHERNYAKHOVSKY:** With few exceptions, insurers are working, planning to survive the crisis and continue to work. This is possible primarily because of the cohesive teams and the skill of working remotely - now that employees are scattered literally around the world, it is critically important. Unfortunately, every business in our country has had vast experience of both global and Ukrainian crises, so management is experienced at adapting and surviving in difficult conditions. Most shareholders of Ukrainian companies understand their responsibility to their staff and to the country, so they make every effort to keep their business.

**XPRIMM: Are Ukrainian insurers offering the society extra assistance, coverage and help due to the war? How is claim settlement being done now?**

**V.C.:** Sure, the insurance market seeks to make life easier for its clients who find themselves facing such challenges. Some companies have expanded coverage under hull insurance policies to European countries, some reduce the amount of insurance payments, for example, if a car is not in use, an insurance company allows to renegotiate and renew almost any type of contract remotely, some have included military risks in life insurance, expanded insurance coverage for motor hull, as well as for agricultural machinery, cargo etc.

At the country level we primarily see the need to insure war

risks and risks indirectly related to the war (damage to property, life and health from unexploded shells, mines etc.). Now our Association is actively involved in the development of the concept of such insurance at the state level.

Regarding settlement - except that the insurance companies' experts sometimes must inspect the property under fire, not much has changed - during the pandemic most insurance companies have established remote settlement, and now it helps a lot make the process as convenient and safe for all parties.

At the very beginning of the war the NBU recommended accepting a maximum of documents for payment in electronic form, which is what insurance companies are doing now. It also pushes our market to full transition to the "Green Card" electronic certificate.

**XPRIMM: What do you think of the cooperation with the Western insurance market? What in your opinion helps the insurers the most to cope with the crisis and what else can be done?**

**V.C.:** First, I would like to thank our foreign colleagues for the enormous help and support, both practical and emotional, that we received during the war. It is truly priceless.

As for cooperation, the possibility to reinsure specific risks (war, terrorism, political violence) as well as reinsurance support in general is now critically important for Ukrainian insurance market. Our Association, for its part, demands the National Bank to cancel restrictions on the transfer of currency abroad under reinsurance contracts, which were introduced on 24 February 2022, so that Ukrainian insurers could fulfil their obligations to Western partners. Now, the National Bank allows reinsuring abroad only for the risks of "Green Card", travel, nuclear and aviation insurance. Ukrainian companies take premiums, reserve money for reinsurers, but temporarily cannot buy currency and transfer it.

There is a separate problem with nuclear liability reinsurance. Some foreign nuclear insurance pools, which include European market leaders with subsidiaries in Ukraine, have sharply reduced their own retention, as a result of which at the moment a considerable part of nuclear liability insurance risks remains with Ukrainian insurers who are members of the national nuclear pool, which requires the state to take urgent measures to ensure that Ukraine meets its obligations under the Vienna Convention on Civil Liability for Nuclear Damage in full. We are especially grateful to the nuclear pool of Great Britain, which provides assistance and support to our Ukrainian colleagues in these difficult times.

I have to say that there are isolated cases when foreign reinsurers in the first days of the war behaved in a non-partner way, unilaterally terminating multi-year obligatory contracts with many Ukrainian companies, despite the fact that war risks under such contracts were included in the exception. I think it will be difficult for such companies to return to the Ukrainian market, and their place will be taken by more loyal competitors.

The main thing that will help the Ukrainian insurance market cope with the consequences of the war is the development of industry "Marshall Plan", as we call it. Such a plan should include organizational, methodological and direct (not through the mechanisms of the state budget of Ukraine) financial support of companies working in the non-banking financial market.

I have already started consultations both with major Western

insurance businesses and international investors and donor organizations. They all understand the need for such a "Marshall Plan" for the industry. However, its concept and mechanisms, including financing, still need to be thoroughly worked out. We have taken the very first steps on a very long road. I am glad that Ukrainian parliament's members understand this problem and are ready to provide their support.

For the industry to be able to strategically cope with the crisis caused by the war in a long term, we need two things: a systematic review of regulatory requirements and standards (primarily solvency, diversification of assets and approaches to technical provisioning), NBU assistance in creating mechanisms to increase liquidity through availability of credit facilities and long-term systemic external financial support.

**XPRIMM: What risks and perspectives do you see for the Ukrainian insurance market in 2022? Do you think that insurers will be able somehow to achieve their targets?**

**V.C.:** The risks are obvious:

- » intensification of hostilities or transition of the war to a protracted phase
- » economic crisis caused by the war, a drop in GDP, production and the entire supply chain
- » substantial impoverishment of the population, which brought in insurance half of all premiums, and a huge part of the solvent population who went abroad (5-6 million people), including with their vehicles (about 1 million cars)
- » a sharp rise in the price of fuel, which has already begun, and which will lead to a decline in motor insurance, the main market drivers
- » physical destruction of the objects of insurance (factories, companies), whose employees were insured under voluntary health insurance, will lead to a decrease in the volume of this line of business, since the companies will not have the funds for it, and will reduce social programs for employees
- » practical termination of aviation insurance and significant reduction of cargo insurance.

A separate specific risk for insurance companies with Ukrainian shareholders is that their main production or agricultural businesses have often been fully or partially destroyed or looted, which becomes an obstacle for additional capitalization of insurance companies at the expense of shareholders' funds.

The main goal at this point is to maintain physical and economic security of employees and their families and to preserve the business.

Prospects for the industry will appear only if the economy begins to recover, a systematic plan to support the industry is implemented, and new types of insurance (construction and installation risks, military risks, various types of liability insurance etc.) are launched. Despite the war, we are working on the necessary regulations to introduce these lines of business in the national market.

It is in times like these that we can see that joint work of insurance companies united in the Association shows much more efficiency, awareness, ability to exchange experience and solve problems than attempts to survive alone, relying only on one's own strength.

Interview with

# Volodimir SHEVCHENKO

General Director, MTIBU - Motor (Transport) Insurance Bureau of Ukraine



Read  
the full interview



**XPRIMM: In 1H 2022, the Ukrainian MTPL market decreased both in premiums terms and as number of policies. What were the reasons behind this evolution?**

**Volodimir SHEVCHENKO:** Starting from April 2022, we can see that the decline in the market indicators of MTPL has stopped. Thus, the number of policies concluded in 6 months amounted to 3.1 million pieces, having decreased by 28.1% compared to the same period of 2021. The gross premiums written amounted to UAH 2.9 billion (-13.4%).

MTPL's insurers settled 56.1 thousand claims (-33.5%) by making insurance payments and paid out over UAH 1.3 billion (-23.5%) to victims of traffic accidents. The number of paid claims settled

under the Europrotocol decreased by 27% to 22.2 thousand pieces.

The amount of compensation under the Europrotocol decreased by 15.5% to UAH 272.1 million. At the same time, the share of claims settled under the Europrotocol in the total number of paid claims increased to 40% (+4 p.p.), and in the total amount of paid claims was 20.6% (+2 p.p.).

The number of online MTPL-policies totalled 1.8 million pieces. Premiums on online insurance amounted to UAH 1.9 billion, which is 65% of total premiums. The share of online insurance in the total number of policies was 59%.

The reasons are clear – some of the cars were physically destroyed



or abandoned by their owners in the temporarily occupied territories. A significant number of Ukrainians took cars abroad as they were forced to flee the war. According to my estimates, the dynamics of MTPL segment decline generally correspond to these losses. That is, most car owners do not stop insuring with MTPL, and the decline is mainly due to a reduction in the number of cars in use in Ukraine. In a spring interview, Sandra Schwartz, the President of the Council of Bureaux (Green Card), estimated that the number of cars with Ukrainian registration abroad can be counted in the hundreds of thousands or even millions.

Policies and premiums have partially 'switched' from the MTPL segment to the Green Card segment, where the number of contracts and the amount of premiums have more than doubled (+119% and +105% respectively). And this is not just a recovery from the 'pandemic' decline in international insurance during 2020–2021, as the number of Green Card (international insurance) contracts in the first half of this year has almost reached the figures for the corresponding period in 2019, when there was significant growth due to the introduction of online insurance policy verifications.

Under Green Card contracts, 2,730 claims (+10%) amounting to EUR 7.1 million (+19%) were settled during first half of 2022.

#### **XPRIMM: What do you think about the MTPL market's future?**

**V.S.:** My forecast is cautiously optimistic. It is clear that the state of the MTPL market, like that of the Ukrainian economy, as a whole, will depend, first of all, on the war situation. I am sure that the MTPL market will begin to gradually recover as soon as hostilities end, and Ukrainian car owners return back home.

The reason for optimism is that from the first day of the war the MTIBU and the MTPL insurers did not stop working to ensure that all road users had reliable insurance coverage.

We act with faith in victory: we see our task not only in maintaining the availability and continuity of the process of concluding contracts and making MTPL insurance payments

in the war conditions, but also in developing the market and services for car owners. Several steps have been made in this direction.

First of all, at the request of the MTIBU, the National Bank of Ukraine decided to increase the insurance limit of coverage from July 1, 2022, up to –

» UAH 160 thousand per victim for damage caused to property (before the changes, this amount was UAH 130 thousand);

» UAH 320 thousand per victim for damage caused to life and health (before the changes, this amount was UAH 260 thousand).

Also, up to UAH 80 thousand, the limit of coverage was increased in the settlement of insurance events, registered without calling the police to the scene of the traffic accident, using the Europrotocol (before the changes, this amount was UAH 50 thousand). Increasing the maximum limit will allow more victims to file a traffic accident and receive a compensation without the need to call representatives of the National Police, who are often involved in the defence of the country during martial law, to the scene of the traffic accident.

Secondly, from September 1, insurers who are full members of the MTIBU will offer car owners the opportunity to conclude such contracts online.

The procedure for issuing a Green Card online is similar to the conclusion of an internal MTPL online contract. We hope that the implementation of such an innovation for international insurance will also be successful.

As far as the work of the MTIBU is concerned, we are working on the areas of improvement of operational activity that we started even before the war: optimizing the system of compensation from the Bureau's funds with the aim of enhancing the quality of service, improving the risk of management system of insurers who are members of the MTIBU, fighting against fraud in the MTPL field, innovative projects etc.

# xprimm publications

Insurance in CEE, SEE and ex-USSR

## XPRIMM Insurance Report



### PROPERTY Insurance Report



### MOTOR Insurance Report



### INSURANCE PROFILE



# Ukraine



S&P Rating

**CCC+, NEGATIVE**

Moody's rating

**CAA3, NEGATIVE**

Fitch Rating

**CCC, n/a**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> National Bank of Ukraine

<sup>3</sup> League of Insurance Organizations of Ukraine, Insurance Top Magazine

<sup>4</sup> The National Financial Services Commission

In total, 137 risk and life insurance companies were operating in the insurance market of Ukraine at the end of June 2022, vs. 181 a year ago

In 1H 2022, the number of Green Card policies concluded in Ukraine more than doubled (+119% y-o-y), amounting to 720,000 units, almost reaching the level of the first half of the "pre-COVID" 2019

The Insurance Business Association and the League of Insurance Organizations of Ukraine, developed a set of measures to help firms get back on their feet and urged the National Bank of Ukraine (NBU) to support them

## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	UAH billion <sup>1</sup>	2,982.92	3,560.30	3,977.20	4,191.86	5,421.21
	EUR billion <sup>4</sup>	89.05	112.26	150.53	120.67	175.32
<b>GDP per capita, current prices</b>	UAH <sup>1</sup>	70,657	84,802	95,301	101,244	131,978
	EUR <sup>4</sup>	2,109	2,674	3,607	2,914	4,268
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	9.65	9.00	8.50	9.15	9.78
<b>Population</b>	Millions <sup>1</sup>	42.22	41.98	41.73	41.40	41.08
<b>UAH/EUR exchange rate</b>	End of period <sup>2</sup>	33.495424	31.714138	26.422000	34.739600	30.922600
<b>Gross written premiums</b>	UAH million <sup>3</sup>	43,431.77	49,367.52	53,001.19	45,175.93	48,892.53
	EUR million <sup>4</sup>	1,296.65	1,556.64	2,005.95	1,300.42	1,581.13
<b>Paid claims</b>	UAH million <sup>3</sup>	10,536.79	12,863.38	14,338.36	14,865.39	17,447.96
	EUR million <sup>4</sup>	314.57	405.60	542.67	427.91	564.25
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	1.46%	1.39%	1.33%	1.08%	0.90%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	30.71	37.08	48.07	31.41	38.49

At the end of 1H2022 the Ukrainian insurance market amounted to UAH 17.60 billion (EUR 571.84 million), which is almost 31% less y-o-y in local currency. The decline was recorded in both life and non-life insurance. At the same time, the decline was in all classes, except for MTPL and Green Card segment, as data from the National Bank of Ukraine show.

Insurers' paid claims also decreased - by 32.26% to UAH 5.88 billion. As for paid claims, there was a decrease in all classes without exception. They decreased most noticeably in cargo insurance and insurance of property risks.

In total, 137 risk and life insurance companies were operating in the insurance market of Ukraine at the end of June 2022, while their number was 181 a year ago. Among insurers in the overall ranking in terms of premiums, USG is the leader (UAH 1.32 billion), occupying about 8% of

the market, followed by UNIQA (UAH 1.25 billion) and ARX (UAH 1.19 billion).

Total liabilities of Ukrainian insurers in the first half of 2022 decreased to UAH 42 billion. The largest insurers in terms of liabilities are MetLife, GRAWE UKRAINE Life and TAS. The financial result before tax was UAH 3.1 billion, and the net financial result was UAH 2.2 billion. Insurers' payments to the state budget for the reporting period amounted to UAH 929 million of income tax.

As of June 30, 2022, the balance sheet assets of Ukrainian insurers amounted to UAH 65.5 billion (vs UAH 65.2 billion a year earlier). The largest in terms of assets are MetLife, ARX and GRAWE UKRAINE Life. The volume of formed insurance reserves increased by 4% to UAH 36.4 billion, while insurers' total equity amounted to UAH 23.3 billion.

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET</b>	571.84	787.12	-27.35	191.08	268.74	-28.90	100.00	100.00
<b>TOTAL LIFE</b>	73.11	83.59	-12.54	10.10	10.95	-7.73	12.78	10.62
<b>TOTAL NON-LIFE, of wich:</b>	498.74	703.54	-29.11	180.98	257.80	-29.80	87.22	89.38
Accident	22.74	25.92	-12.25	2.92	3.97	-26.43	3.98	3.29
Health	115.34	149.95	-23.08	50.69	60.19	-15.80	20.17	19.05
Motor Hull	109.82	155.39	-29.33	60.11	72.12	-16.65	19.20	19.74
MTPL & Green Card	140.69	129.97	8.24	52.31	61.62	-15.10	24.60	16.51
CARGO	13.65	26.31	-48.13	0.97	5.04	-80.67	2.39	3.34
Property	38.66	102.07	-62.12	5.20	34.70	-85.02	6.76	12.97
Financial risks	15.92	46.00	-65.39	5.85	10.69	-45.30	2.78	5.84
Liability	25.99	35.53	-26.85	2.60	5.68	-54.25	4.55	4.51
Other	15.92	32.38	-50.84	0.32	3.77	-91.39	2.78	4.11

1 EUR = 32.3018 Hryvnia - UAH (June 30<sup>th</sup>, 2021)

1 EUR = 30.7776 Hryvnia - UAH (June 30<sup>th</sup>, 2022)

In the first half of 2022, the number of Green Card policies concluded in Ukraine more than doubled (+119%), exceeding the corresponding period in 2021, amounting to 720,000 units. This figure has almost reached the level of the first half of the "pre-COVID" 2019, according to the MTIBU (Motor Transport Insurance Bureau of Ukraine).

Green Card GWP for the period reached UAH 1.6 billion (~EUR 51.81 million), which means an increase of 105% compared to the first half of 2021, and this result is a record for the last 5 years. Claims settled amounted to EUR 7.1 million (+19%). The number of concluded international insurance Green Card contracts indicate that Ukrainians rely on the insurance protection provided by our national policies. The deadlines for providing special insurance protection conditions for Ukrainian cars that went abroad during martial law are gradually expiring, and now cars registered in Ukraine and continuing to stay in European countries already need a new insurance certificate. Our European colleagues are discussing at the national and EU level possible options for medium-term proposals to support Ukrainian refugee car owners. However, they are sure that the best solution for our citizens is to issue an Ukrainian Green Card insurance certificate, said Volodimir SHEVCHENKO, General Director of MTIBU, commenting on the results of the first half of the year.

In May, the Insurance Business Association, together with the League of Insurance Organizations of Ukraine, developed ideas for the so called "Marshall Plan", a set of measures to help firms get back on their feet and urged the National Bank of Ukraine (NBU) to support them. The war in Ukraine has multiple operational and financial impacts on the insurers, so the industry needs sweeping measures to help the companies survive and recover. The core points of this plan concern not so much foreign financial assistance as organizational and regulatory issues. Basically, it reflects the position of companies with Ukrainian stakeholders, says Vyacheslav CHERNYAKHOVSKY, general director of the Insurance Business Association. According to him, most insurers in Ukraine have seen their revenues drop by 50% to 90% during the conflict.

Vyacheslav CHERNYAKHOVSKY outlined several proposals, including a delay of IFRS 17 implementation in Ukraine; eliminating the 3% tax on non-life insurance premiums;

# Ukraine



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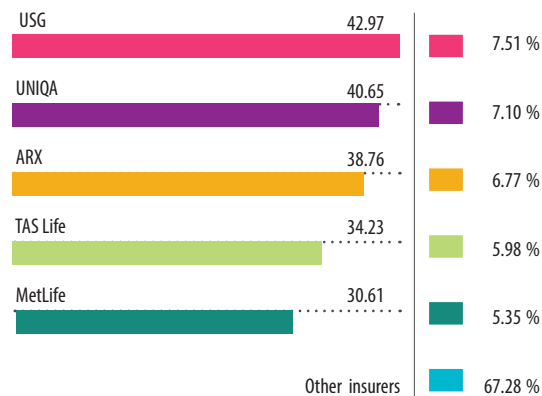
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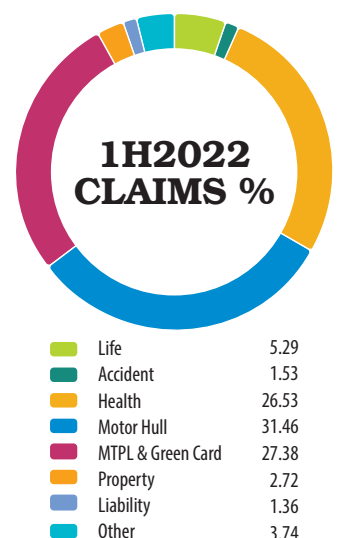
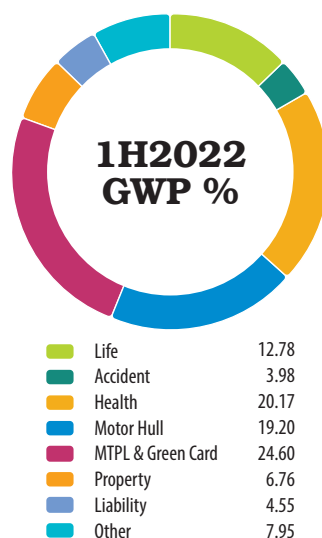
## TOP 5 Total Market (GWP, EUR million)



and further softening of regulatory requirements, namely by revising the calculation of reserves of unearned premiums.

Shareholders of the VUSO insurance company (one of the top-10 in Ukraine) completed acquisition of UASK ASKA (operating under ASKA brand) in order to create a major player in the insurance market with Ukrainian capital. Despite the war and this seemingly inopportune time to invest, we intend to complete our task

of merging the two companies. We believe in the victory of Ukraine and its future! We hope that Ukrainians and Ukrainian enterprises will continue to use services of VUSO as a large Ukrainian company. It is symbolic for us that the date of the conclusion of the agreement, as well as the date of the beginning of the merge - August 24 - is the Independence Day of our country!, commented Mikhail NAZARCHUK, Chairman of the VUSO Supervisory Board. (M.M.)



# Uzbekistan



S&P Rating

**BB-, STABLE**

Moody's rating

**B1, POSITIVE**

Fitch Rating

**BB-, STABLE**

Sources:

<sup>1</sup> International Monetary Fund, World Economic Outlook Database, April 2022

<sup>2</sup> The Central Bank of the Republic of Uzbekistan

<sup>3</sup> Ministry of Finance of the Republic of Uzbekistan

<sup>4</sup> XPRIMM calculations

## Market's main indicators-timeline

		2017	2018	2019	2020	2021
<b>GDP, current prices</b>	UZS billion <sup>1</sup>	317,476.37	424,728.74	529,391.49	602,193.00	734,587.70
	EUR billion <sup>4</sup>	32.99	44.80	49.83	47.10	60.09
<b>GDP per capita, current prices</b>	UZS <sup>1</sup>	9,883,917	13,005,868	15,918,915	17,761,081	21,256,108
	EUR <sup>4</sup>	1,027	1,372	1,498	1,389	1,739
<b>Unemployment rate</b>	% of total labor force <sup>1</sup>	5.83	9.35	8.98	10.53	9.50
<b>Population</b>	Millions <sup>1</sup>	32.12	32.66	33.26	33.91	34.56
<b>UZS/EUR exchange rate</b>	End of period <sup>2</sup>	9,624.72	9,479.57	10,624.70	12,786.03	12,224.88
<b>Gross written premiums</b>	UZS million <sup>3</sup>	927,451.40	1,635,206.55	2,313,903.59	2,209,677.75	3,836,565.34
	EUR million <sup>4</sup>	96.36	172.50	217.79	172.82	313.83
<b>Paid claims</b>	UZS million <sup>3</sup>	269,997.12	460,817.29	813,510.42	735,110.36	NA
	EUR million <sup>4</sup>	28.05	48.61	76.57	57.49	NA
<b>Insurance penetration degree</b>	% in GDP <sup>4</sup>	0.29%	0.39%	0.44%	0.37%	0.52%
<b>Insurance density</b>	EUR/capita <sup>4</sup>	3.00	5.28	6.55	5.10	9.08

In 1H2022, the insurance market of Uzbekistan grew by 63% y-o-y in local currency, to UZS 2,771.06 billion (EUR 242.78 million), according to data published by the Insurance Market Development Agency under the Ministry of Finance.

Life insurance continued its dynamic growth after the first quarter, increasing by 176% to UZS 791 billion. At the same time, compulsory types of life insurance maintained a negative trend (-25.59%), while voluntary life insurance saw a rapid growth of almost 186%. Non-life

🌸 In 1H2022, the insurance market of Uzbekistan grew by 63% y-o-y in local currency, to UZS 2,771.06 billion (EUR 242.78 million)

🌸 In 1H 2022, UZBEKINVEST, the leader of the local insurance market, collected UZS 240 billion (~EUR 21.16 million), which means an annual increase of 168%

🌸 On May 19, 2022, S&P Global Ratings assigned ASIA Insurance a long-term local currency financial strength rating of B-, with a positive outlook

## Market portfolio at June 30<sup>th</sup>, 2022

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	1H2022	1H2021	Change	1H2022	1H2021	Change	1H2022	1H2021
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
<b>TOTAL MARKET of which:</b>	242.78	134.44	80.59	101.05	38.64	161.51	100.00	100.00
<b>Life insurance, including:</b>	69.30	22.67	205.63	63.18	20.03	215.40	28.55	16.87
Compulsory	0.86	1.05	-17.66	0.36	0.27	33.30	0.36	0.78
Voluntary	68.44	21.63	216.44	62.82	19.76	217.92	28.19	16.09
<b>Non life, including:</b>	173.47	111.76	55.22	37.86	18.61	103.49	71.45	83.13
<b>Compulsory of wich:</b>	21.15	16.73	26.42	9.39	6.98	34.55	8.71	12.44
Employer's civil liability	6.98	5.97	16.93	2.37	2.33	1.96	2.87	4.44
Civil liability of vehicle owners	10.04	7.39	35.82	6.68	4.36	53.12	4.14	5.50
<b>Voluntary of wich:</b>	152.33	95.04	60.29	28.47	11.63	144.86	62.74	70.69
Accidents	1.50	1.94	-22.51	0.24	0.19	28.90	0.62	1.44
Illnesses	2.01	0.94	114.47	1.16	1.47	-21.04	0.83	0.70
Motor Hull	20.85	9.90	110.68	2.18	1.59	36.95	8.59	7.36
Cargo	3.35	3.64	-7.82	0.17	0.06	190.46	1.38	2.70
Fire and natural disasters	0.10	0.14	-25.60	0.00	0.00	79.75	0.04	0.10
Property damage	0.02	0.05	-61.78	-	-	-	0.01	0.03
GTPL	3.90	13.04	-70.08	3.48	0.57	507.34	1.61	9.70
Credit insurance	33.24	22.89	45.24	15.37	4.21	265.56	13.69	17.02

1 EUR = 12629.85 Som - UZS (June 30<sup>th</sup>, 2021)

1 EUR = 11414.12 Som - UZS (June 30<sup>th</sup>, 2022)



insurance increased by 40%, at the same time its share in the total market portfolio decreased significantly (by about 12%).

In the first half of 2022, UZBEKINVEST, the leader of the local insurance market, collected UZS 240 billion (~EUR 21.16 million), which means an annual increase of 168%. The company is actively involved in the development of the insurance industry and demonstrates sustainable dynamics and stable growth of key business indicators. National exporters of goods and services were provided with insurance protection in the amount of USD 1.1 billion, which accounted for 29% of Uzbekistan's non-commodity exports.

During the first six months, the company also developed insurance operations in the international insurance and reinsurance markets. The volume of gross reinsurance premiums amounted to UZS 149.6 billion (or USD 13.8 million), which is 2.5 times more than in the same period of 2021. The share of export of insurance services in the company's insurance portfolio reached 62%.

On May 19, 2022, S&P Global Ratings assigned ASIA Insurance a long-term local currency financial strength rating of B-, with a positive outlook. The agency's report indicates that creditworthiness of ASIA Insurance is supported by a satisfactory capital level compared to insurance volumes and expected positive operating indicators, showing business profitability. According to S&P Global Ratings, the company has sufficient liquidity in the form of cash and deposits to meet its obligations. ASIA Insurance is one of the top-15 insurance companies in Uzbekistan.

(M.M.)

# Uzbekistan



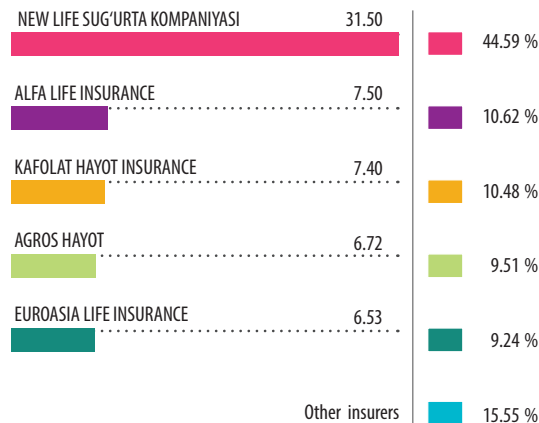
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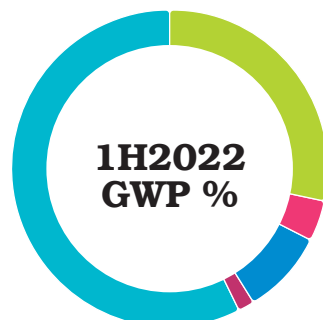
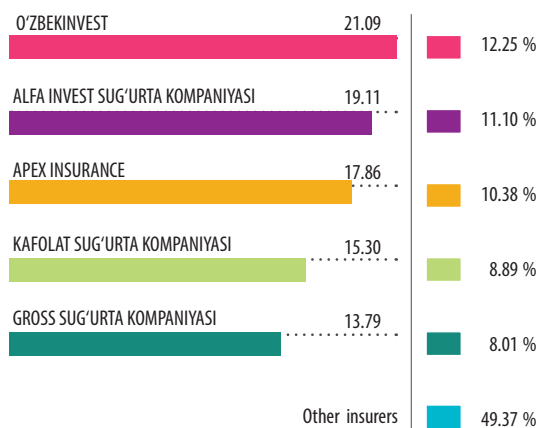
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## Top 5 Life insurance (GWP, EUR m)



## Top 5 Non-life insurance (GWP, EUR m)



Life	28.55
MTPL	4.14
Motor Hull	8.59
GTPL	1.61
Other	57.13



Life	62.53
MTPL	6.61
Motor Hull	2.16
GTPL	3.44
Other	25.25

# EIOPA Conference 2022

## Insurers are vital to help individuals and businesses facing the challenging times

21 June 2022



EIOPA's annual conference in 2022 took place on 21 June at a time marked by high levels of uncertainty for the European economy and for consumers. Few periods over the past decades have presented so many challenges at once and manifested so clearly that far reaching transformations are afoot.

Geopolitical tensions, the lingering effects of a devastating pandemic that has disrupted our societies and economic structures, the risks and opportunities of a rapidly digitalizing world and a climate change crisis whose effects through heat waves and flash floods are becoming more tangible are all muddling the outlook.

The conference brought together regulators, academics, insurance experts, lawmakers as well as industry and consumer representatives to strengthen our dialogue and help provide some clarity on the way forward to the extent possible by highlighting priorities for regulation and supervision.

Mairead McGUINNESS, Commissioner for Financial Stability, Financial Services and the Capital Markets Union opened the conference with a keynote speech. She underscored the importance of building up a strong financial system in order to be prepared for the enormous changes that are taking place. She also said that insurance companies were vital to help individuals and businesses manage the risks they face in these uncertain times. As institutional investors they also had a key role to play in bolstering the continent's resilience by channeling funds into the economy through long-term investments.

EIOPA Chairperson Petra HIELKEMA's address focused on the transformative nature of digitalization and the need for the insurance and pensions sectors to take on the mammoth task of making economies more sustainable and to help mitigate risks to our societies. She also vowed to keep relevant regulatory frameworks up-to-date to reflect the new challenges and thus ensure the stability of the insurance and pensions sectors while continuing to deliver valuable outcomes to consumers.

Shortly afterwards, Victoria SAPORTA, Executive Director of the Prudential Policy Directorate at the Bank of England and Chair of the IAIS' Executive Committee took the stage. She touched upon the risks facing the global insurance sector from inflation and tightening financial conditions to geopolitical aspects and stressed that new challenges such as cyber risks and climate change must also be on the minds of supervisors and regulators.

On top of the above speeches, EIOPA's annual conference included high-level discussion rounds on three distinct topics. In the course of the day, expert panels took a deep dive into pressing issues like protection gaps, the evolution of the regulatory framework in response to new risks and the transition to an outcome-based approach to conduct supervision.

The exchanges confirmed that stakeholders see eye to eye on most of the challenges facing the sectors. This shared recognition of the risks forms the basis for a successful response to them in the months and years to come.

Daniela GHETU

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